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IN THE

Supreme Court of the United States

OCTOBER TERM, 1957

No. 678

TECHNICAL TAPE CORPORATION,
Petitioner

vs.

MINNESOTA MINING AND MANUFACTURING COMPANY,
Respondent

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

DANIEL L. MORRIS,
New York, New York
Attorney for Petitioner

SIMON H. RIFKIND,
EDWARD N. COSTIKYAN,
EMANUEL E. STERNFIELD,
ROBERT D. SPILLE,
JOHN A. MITCHELL,
Of Counsel.

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IN THE

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No. _____

TECHNICAL TAPE CORPORATION,
Petitioner

vs.

MINNESOTA MINING AND MANUFACTURING COMPANY,
Respondent

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, Technical Tape Corporation, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit.

Opinions Below

The opinion of the District Court (R. 5869-96) printed in petitioner's Appendix A hereto, *infra*, p. 31a, is reported in 143 F. Supp. 429. The opinion of the Court of Appeals, printed *infra*, p. 1a, is reported in 247 F. 2d 343. The opinion of the Court of Appeals denying a rehearing, printed *infra*, p. 54a, is unreported.

Jurisdiction

The judgment of the Court of Appeals was filed on September 23, 1957, *infra*, p. 54a. Rehearing was denied on September 23, 1957, *infra*, p. 54a.

The jurisdiction of this Court is invoked under 28 U. S. C., Section 1254 (1).

Questions Presented

1. Whether it constitutes unclean hands in a patent case for a corporate patent owner which is the world's largest and dominant manufacturer of sticky adhesive tapes to make and consummate agreements with wholesalers (dealing in both its patented and unpatented tapes) to sell the patent owner's tapes *exclusively* where the corporate patentee induces said exclusive dealing agreements by providing to such wholesalers services it withholds from other wholesalers who do not so agree and who continue to sell competitive tapes.

2. Whether petitioner is denied due process by a Court of Appeals which, *de novo*, interprets petitioner's properly admitted prior art patent by relying on another patent never in evidence before the courts below for an interpretation of the admitted patent.

3. Whether a patent owner's concessions that its patented combination was old and was disclosed in a prior art patent cannot be considered as evidence showing that the patent in suit is invalid.

4. Whether a patent merely covering the addition of one old component to another old component may be sustained as an inventive act when the inventor admits, in accordance with the *A & P* case, 340 U. S. 147

(1950), that neither old component behaved differently in the patented combination than each did separately.

5. Whether the rule of equivalency permits the stretching of a patent claim on a mere combination of old components to monopolize later discovered components which were unknown when the patent issued.

Statutes Involved

The statutory provisions involved are Section 13 (e) of Title 15, U. S. C. which states:

> It shall be unlawful for any person to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all purchasers on proportionally equal terms.

Also involved are Sections 102 and 103 of Title 35, U. S. C. which are printed *infra,* pp. 55a-56a.

Statement

Petitioner (herein Technical) filed a declaratory judgment suit in 1951 to have respondent's Patent No. 2,177,627 (called Drew II) held invalid, not infringed or unenforceable due to respondent's (herein Minnesota's) misuse of the patent in violation of the Anti-Trust Laws. The jurisdiction of the District Court was invoked because the case arises under the Patent Laws and the Declaratory Judgment Act.

Minnesota is concededly the world's largest and dominant manufacturer of adhesive tapes whose basic patent on such tapes expired in 1947. Thereafter Technical entered this industry (Technical's Appendix on appeal, PA 35a) and when a controversy arose over Technical's right to make a cellophane adhesive tape in competition with Minnesota this suit was filed. ___ FS ____, 101 U. S. P. Q. 219 (1954). The District Court erroneously dismissed the complaint for lack of a justiciable controversy and the Court of Appeals reversed 200 F. 2d 876 (1953). The jurisdiction was established in a separate trial, 101 U. S. P. Q. 219, which was followed by trial on the merits.

The District Court held Drew II (PA 236a) to be valid, infringed and not misused, *infra*, p. 50a. The Court of Appeals affirmed in "in all respects" *infra*, p. 30a, both courts below relying heavily on a single previous decision in favor of Drew II in the Seventh Circuit Court of Appeals, *Minnesota Mining & Manufacturing Company* v. *International Plastic Corp.*, 159 F. 2d 554 (1947).

Technical is one of the few competitors of Minnesota in the tape industry, both companies making many kinds of adhesive tapes, most of which are unpatented. Technical's customers are mainly wholesalers and industrial consumers (R. 2983-85); Minnesota in addition to its wholesale business, also has thousands of customers who sell a few rolls of tape at a time to retail customers (R. 3877-78, 3875).

Technical sold all kinds of tapes at prices below those fixed by Minnesota (PA 192a-193a, 168a-169a). As Technical's price competition became bothersome, Minnesota sought to combat it by having its industrial wholesalers agree not to carry competitive tapes,

whether patented or unpatented (PA 122a-127a). Several wholesalers refused such agreements and Minnesota thereafter refused to supply them with any tapes at all (PA 128a-132a, 136a-138, 143a, 147a-148a, 152a-154a, 158a-159a, 165a, 174a).

The District Court found this conduct by Minnesota to be justified because it said "the conduct of 3M [Minnesota] in each instance was motivated solely by honest business considerations", *infra,* p. 50a. It did not identify what it regarded as honest business considerations. Moreover it limited the patent misuse doctrine *solely* to tie-in sales, *infra,* p. 49a.

As stated by the Court of Appeals, the exclusive dealing arrangements (which Minnesota and the Court euphemistically called a "select distributorship policy") were not misuse because the proposals were not made to "all" Minnesota's industrial wholesalers, acceptance was "voluntary" and those who accepted "received increased technical service and assistance", *infra,* p. 27a. The Court recognized that 25 to 30 wholesalers in New England alone accepted these deals, of whom some had previously carried "tapes made by 3 M competitors", *infra,* p. 25a.

Minnesota's basic patent Drew I, (PA 230a) which issued in 1930 and which expired 10 years ago, monopolized all adhesive sheets or tapes composed of paper (called a "unified cellulosic backing") and a sticky adhesive (called a "pressure sensitive adhesive"). Neither Drew nor Minnesota claimed to have originated either such paper or such adhesives. The adhesive sheets were made by dissolving a common natural rubber mixture in gasoline or benzene, coating the rubber solution on the sheet, drying the adhesive and rolling up the dry adhesive coated sheet—nothing more. No

assertion was made that the method of manufacture of such sheets or tapes was new.

In 1939 Minnesota obtained Drew II which monopolized all adhesive sheets or tapes composed of cellophane or smooth plastic films coated with the same sticky adhesives as shown in Drew I. The method of manufacture in each instance was the same. No assertion was made that Drew or Minnesota originated either cellophane or smooth plastic films (called "non-fibrous film backings" in the patent).

In both Drew I and II the identical adhesives were disclosed as sticking better to the sheet of paper or cellophane if a first adhesive coat (called a "primer") was used. This was a matter of preference and not essential (R. 798; *infra*, p. 15a).

Drew testified that the "making" of the alleged invention of Drew II consisted only of placing, with a knife, the adhesive shown in Drew I on du Pont cellophane instead of on paper (PA 73a-82a)—nothing else. Just as the eraser on a pencil stays an eraser and the pencil remains a pencil, he conceded that the adhesive remained unchanged and the cellophane remained unchanged; there was no mysterious or chemical reaction between the cellophane and the adhesive and "both retained their characteristics" (PA 81a).

The adhesives used in both Drew I and II were themselves old, being natural rubber either alone or mixed with old resins which made the sticky rubber stickier—all of which was known before Drew entered the field.

The "new" contribution of Drew II was simply the substitution of cellophane for paper.

The product has sold well and both courts below emphasized that its commercial success (by Minnesota which already had a monopoly on *all* paper-type tapes) was a factor which weighed heavily in their conclusions that the substitution of cellophane for paper was an inventive act.

Technical's cellophane tapes, held to infringe, were of two types: one, using as the sticky adhesive the synthetic rubbers developed at the time of World War II and the other using no rubber at all but instead a complex chemical material called a polyvinyl ether, unknown as an adhesive in 1939 when Drew II issued, *infra,* p. 15a.

In addition to Drew I, Technical relied on several prior patents to show that Drew's patented combination of cellophane (or plastic film) with sticky rubbery adhesives was old. One of these old patents (Hodgson) (PA 232a) showed celluloid (a plastic film) *or* cardboard coated with a rubbery, sticky adhesive of the same type Drew later used. The Court of Appeals mistakenly analyzed this patent by looking only at the coated cardboard (Figure 5, PA 232a) when Technical was pointing only to the coated celluloid (Figures 3, 4). Cardboard is paper and celluloid is not.

An even earlier French patent (Brandenberger) (PA 29a) showed the very combination of cellophane and rubbery sticky adhesive which Drew later patented. This patent had never been considered by the Patent Office and the Seventh Circuit Court of Appeals.

The Court of Appeals below interpreted this French Brandenberger patent as showing cellophane coated with a sticky adhesive (applied as a rubber solution) *infra,* pp. 10a-11a; but it held that since Brandenberger

suggested using his product to wrap electrical wires, Drew was entitled to a patent because he *suggested* his similar product could be used to wrap any kind of package.

Furthermore, instead of confining its attention to the one and only Brandenberger patent before it, the Court of Appeals turned *de novo* to a different Brandenberger patent, *infra*, p. 10a, never in evidence in this case. It then proceeded to interpret this second Brandenberger patent by adopting Minnesota's interpretation of it as shown in Minnesota's brief in a case, in another circuit, not involving petitioner, *infra*, p. 10a.

Neither this second Brandenberger patent nor Minnesota's brief in the other case was offered or received in evidence in the courts below. And Technical was given no opportunity to object, rebut or offer counter-evidence about this second patent and the self-serving declaration Minnesota had made about it elsewhere. Technical learned that these self-serving declarations and this second Brandenberger patent were involved in this case for the *first* time when the decision of the Court of Appeals was handed down.

Last but not least, while the Court of Appeals in its opinion relied on the second Brandenberger patent (and Minnesota's self-serving interpretation of it) it upheld a ruling below that admissions against interest made by Minnesota as to the *proper* interpretation of the French Brandenberger Patent were not to be considered. These admissions had been made by Minnesota while successfully trying to prevent a third party (named Rado), who was ahead of Drew, from getting German patents on sticky cellophane adhesive tape (PA 47a, 48a, 50a, 52a).

The essence of these actions below is that a patent owner's self-serving statements about a prior art patent are admissible whereas the patent owner's admissions against interest about the prior patents are inadmissible.

Reasons for Granting the Writ

1. The courts below have decided an important federal question in a way which appears to conflict with decisions of this Court and those of other circuits. Below it was held that the patent misuse doctrine (unclean hands) reaches only the situation where a patentee makes tie-in sales or licenses. Accepting the Court of Appeals version of the facts in this case, it was shown that Minnesota used its patent power to induce the acceptance of agreements by industrial wholesalers not to deal in competitive tapes, whether patented or not. Furthermore, as stated by the Court of Appeals, "those who accepted the proposals received *increased* technical service and assistance while those who rejected the proposals, together with other jobbers or distributors who did not qualify, continued to receive 3M [Minnesota] products and the technical service and assistance theretofore given them" (*infra*, pp. 27a-28a) (emphasis supplied).

Under 15 U. S. C. § 13 (e) discrimination in the services given to one wholesaler as compared with those given other wholesalers is forbidden.

It does not appear that any other court has been faced with such discrimination where a patent was involved.

The Court of Appeals has, however, sanctioned such discrimination if done by a patent owner; indeed it

found the discrimination *permissible* as a means of making exclusive dealing arrangements with wholesalers handling both its patented and unpatented products.

In other words, the Court of Appeals has limited this Court's decision in *Morton Salt Co.* v. *G. S. Suppiger,* 314 U. S. 488 (1942) only to tie-in sales or tie-in licenses; other violations of the Anti-Trust Laws, in the view of the courts below, cannot constitute unclean hands in a patent case.

The Third and Seventh Circuits have taken the opposite view of *Morton Salt.* In both *F. C. Russell Co.* v. *Comfort Equipment Corp.,* 194 F. 2d 592 (7th Cir. 1952) and in *F. C. Russell Co.* v. *Consumers Insulation Co.,* 226 F. 2d 373 (3rd Cir. 1955) the courts held that a patent owner's exclusive dealing arrangements with wholesalers constituted unclean hands. In *Newburgh Moire Co.* v. *Superior Moire Co.,* 237 F. 2d 283 (3rd Cir. 1956) it was further held that the unclean hands doctrine encompassed multiple price-fixing licenses in violation of the Sherman Act.

The Court of Appeals below apparently felt that these decisions did not apply because "not all" of Minnesota's industrial wholesalers had made the exclusive deals, those which were made were "voluntary" and had been induced by "increased" technical service and assistance Minnesota was to furnish them.

In other words to seduce a wholesaler not to deal in competitive brands of tapes by offering discriminatory advantages to the wholesaler, over his competitors, *contra* to 15 U. S. C. § 13 (e) is permissible. The courts below would perhaps feel differently if the wholesaler were coerced, rather than enticed, into these illegal agreements.

It does not appear that *Morton Salt* nor the decisions of the other circuits accepting and following its rationale would sanction the eroding of its principle by the distinctions drawn below. This Court should correct such errors made in this case.

2. In a matter of pure patent law and one which is important to industry generally in determining just how far beyond the language of a patent claim a court may stretch a patent monopoly, the courts below have announced a rule in direct conflict with the decisions of this Court and other circuits. The Fourth Circuit Court of Appeals has recognized the conflict and recently called attention to it. *Sears, Roebuck and Company* v. *Minnesota Mining and Manufacturing Co.*, ___ F. 2d ___, 115 U. S. P. Q. 208, at 210. (Oct. 18, 1957).

As pointed out *supra,* pp. 5, 6, Drew II is a combination of *old* adhesives and *old* sheets, e.g. cellophane. Technical used *new* adhesives, developed by third parties years *after* the patent issued. The courts below held this to be infringement not because these products of Technical fell within the monopoly defined by the claims of the patent, but because, although the products were outside the literal patent monopoly, they worked just as well as Minnesota's patented tapes.

To arrive at a holding that a patent on 2 old components also covered components discovered or originated after Drew II, the courts below ignored the applicable decisions of this Court and other circuits.

This Court in *Gill* v. *Wells,* 22 Wall. 1, at 15, 28 (1874), in *Imhaeuser* v. *Buerk,* 101 U. S. 647, at 656 (1879) and again more recently in *Halliburton Oil Well Cementing Co.* v. *Walker,* 329 U. S. 1, at 13 (1946)

has repeatedly held that for a patent on a combination of old components to cover the replacement of one of the old components with a component *not* disclosed in the patent, the new component must "be well known as a proper substitute for the one described in the [patent] specification at the date of the patent". To the same effect are, for example, *Doughnut Mach. Corp.* v. *Joe-Lowe Corp.*, 67 F. 2d 135, at 136 (4th Cir. 1933) and *Magic Light Co.* v. *Economy Gas-Lamp Co.*, 97 Fed. 87 (7th Cir. 1899).

If the rule stated in the courts below becomes the law generally, the public will be faced with the anomaly that patents on mere combinations of old components will sweep into their grasp many future discoveries or inventions whereas a patent on a new discovery cannot be so extended.

3. In the *A & P* case, 340 U. S. 147 (1950) this Court laid down the definitive standard of invention for combination patents such as Drew II. Mr. Justice Douglas in a separate concurring opinion with Mr. Justice Black listed some 20 cases where "incredible" patents had been sustained by lower courts and had to be brought before this Court "to be declared invalid". 340 U. S. at 156-158.

Of this group 45% came from the federal courts of New York—a startling proportion.

Recently the Second Circuit has commenced circling back to its former policy of sustaining "incredible" patents, *contra* to the mandate of this Court. In addition to Drew II (substituting cellophane for paper in adhesive tapes), the Court of Appeals has recently sustained two additional patents of elementary simplicity, as "inventions". One involved putting mag-

nets in artificial dentures to make them hold better, *Freedman* v. *Overseas Scientific Corp.*, 248 F. 2d 274 (2nd Cir. September 30, 1957); the other claimed as an invention the idea of using electricity instead of steam to keep an oil pipe warm, *Electric Pipe Line* v. *Fluid Systems*, 231 F. 2d 370 (1956).

It appears that this autonomous approach to the standard of invention in combination patents has arisen because 7 years have elapsed since this Court has reviewed a patent case on the merits. This warrants correction.

4. Not only did the courts below sustain an incredible patent (Drew II) but they did so in an incredible manner—a manner so far beyond the "accepted and usual course of judicial proceedings" as to call for the exercise of this Court's power of supervision.

The courts below made a new and very curious rule—a rule which deprived Technical of its constitutional right of due process. The new rule is an outgrowth of the Second Circuit's lone and peculiar *prior* rule that, in a patent case, the trial court may only take a limited peek at the Patent Office proceedings leading to the patent. Under this prior rule whatever a patentee told the Patent Office could not be used against him, apparently on the archaic theory that a patent is a contract and everything leading up to the document is like contractual negotiations which are merged into the one instrument. *Spaulding* v. *Wanamaker*, 256 Fed. 530, at 533 (2nd Cir. 1919). This Court and other Courts of Appeal have not accepted this rule at all. *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U. S. 126, at 132-134 (1942); *Texas Company* v. *Globe Oil & Refining Co.*, 225 F. 2d 725, at 736-738 (7th Cir.

1955); *Wright Aeronautical Corp.* v. *General Motors Corp.*, 166 F. 2d 636, at 642, 645 (7th Cir. 1948).

As pointed out, *supra*, p. 8, Minnesota had successfully prevented a German named Rado from procuring (major) German patents on cellophane adhesive tape (the identical product on which Drew II was obtained). It achieved this success by bringing to the attention of a German tribunal the single French Brandenberger patent Technical later relied on below; in so doing Minnesota interpreted this French Brandenberger patent as showing that cellophane adhesive tape was old. Moreover, when Minnesota had previously been sued in Germany for infringement of Rado's petty patents on cellophane tape, Minnesota had defended by introducing the French Brandenberger patent and had the Rado petty patents invalidated (PA 50a).

Technical introduced documentary evidence of this —all obtained from Minnesota's own files and never previously before any United States court or agency.

The District Court ruled, *infra*, p. 43a, that whatever Minnesota said about this French Brandenberger patent could not be used against Minnesota because Brandenberger personally had not been a party to the proceedings Minnesota took against Rado. It also said, as an additional reason, that Minnesota was not chargeable with these admissions against interest, because they were stated by its authorized attorney, *infra*, p. 43a, and such statements are "opinions". The Court of Appeals endorsed this new rule.

It then amplified it. The Court, *infra*, p. 10a, somehow obtained a brief Minnesota had filed in the 7th Circuit. In this brief (neither offered or received in

evidence in the trial court below, nor involving Technical in any way), Minnesota's counsel expressed the view that a *second* Brandenberger patent (unrelated to the French Brandenberger patent) did not disclose the patented cellophane tape. The Court of Appeals seized upon *this* self-serving statement by Minnesota as an aid in interpreting the French Brandenberger patent, *infra,* p. 10a. Yet, for reasons it did not explain it ignored all the damaging admissions.

Technical was never given an opportunity to object to, rebut or otherwise defend itself against this latter procedure. It all happened for the first time on appeal.

This situation by itself would suffice for this Court to exercise its power of review.

CONCLUSION

For the reasons stated, this petition for a writ of certiorari should be granted.

Respectfully submitted,

DANIEL L. MORRIS,
Attorney for Petitioner

December 19, 1957

SIMON H. RIFKIND,
EDWARD N. COSTIKYAN,
EMANUEL E. STERNFIELD,
ROBERT D. SPILLE,
JOHN A. MITCHELL,
Of Counsel.

APPENDIX A

Decision of the Court of Appeals

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 337—October Term, 1956.

(Argued April 12, 1957 Decided August 2, 1957.)

Docket No. 24207

TECHNICAL TAPE CORPORATION,
Plaintiff-Appellant,

—against—

MINNESOTA MINING AND MANUFACTURING COMPANY,
Defendant-Appellee.

Before:

MEDINA and WATERMAN, *Circuit Judges,* and
LEIBELL, *District Judge.*

Appeal from a judgment of the District Court, Southern District of New York, after a trial before Bicks, *J.*, dismissing plaintiff's complaint, amended complaint and supplemental complaint, which sought a declaratory judgment that defendant's Drew Patent No. 2,177,627 was invalid, not infringed, and unenforceable; and sustaining the defendant's counterclaim for patent infringement, and adjudging the patent valid and infringed by plaintiff, and awarding the defendant an injunction and damages, and an accounting to ascertain the damages. Affirmed.

Decision of the Court of Appeals

DANIEL L. MORRIS, CURTIS, MORRIS AND SAFFORD, New York City, *Attorneys for Plaintiff-Appellant* (Simon H. Rifkind, Samuel J. Silverman, Edward N. Costikyan, Emanuel E. Sternfield, Robert D. Spille and John A. Mitchell, Of Counsel).

H. H. HAMILTON, New York City, *Attorney for Appellee* (Harold J. Kinney and Robert I. Coulter, St. Paul, Minnesota; M. K. Hobbs, Plateville, Wisconsin; and Edward A. Haight and J. W. Hofeldt, Chicago, Illinois, Of Counsel).

LEIBELL, *District Judge*:

Plaintiff instituted this action on November 17, 1951, under the Declaratory Judgment Act (28 U. S. C. § 2201) to have the defendant's patent #2,177,627, issued to Richard Drew October 31, 1939[1] declared invalid, or, if valid, then not infringed. On a motion in the District Court the complaint was dismissed on the grounds that no justiciable controversy was stated upon which a claim for relief could be founded and that the court lacked jurisdiction. On appeal, this court (200 F. 2d 876) reversed and held that an

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1 The opening paragraph of Drew's patent #2,177,627 states:

"This invention relates to adhesive sheets having a backing with a non-fibrous surface (such as normal or waterproofed films of regenerated cellulose) and a coating of normally tacky and pressure-sensitive adhesive united thereto. While not limited thereto, the invention relates especially to transparent adhesive sheets, to adhesive sheets in the form of adhesive tapes which may be sold in stacked or coiled form, and to adhesive sheets or tapes which are well adapted to the sealing or securing of wrappers composed of non-fibrous lustrous cellulosic films and the like."

The adhesive tape made by defendant under the Drew patent is familiarly known as "Scotch" cellophane tape.

amendment to the complaint in the interest of clarity, should be allowed. Then followed various procedural steps, resulting in an amended complaint, a supplemental complaint, the defendant's answer and plaintiff's reply. In its answer Minnesota set up a counterclaim for an injunction against further infringement of its patent by plaintiff, and for damages. Plaintiff's reply charged a misuse by defendant of its patent, in that defendant allegedly attempted to extend its patent monopoly to cover unpatented products, that defendant illegally restrained competition, and for those reasons a court of equity should not grant defendant any relief on its counterclaim.

The trial of this case before Judge Bicks took five weeks. On July 18, 1956, he filed his opinion (143 F. Supp. 429) and on July 26th signed a judgment. The judgment declared that (a) all of the sixteen claims of the Drew patent are valid "except claim 9 as to which no adjudication of validity is made, no infringement of said claim having been found"; that (b) the plaintiff had infringed all the claims of the patent (except claim 9); that (c) defendant had not been guilty of inequitable conduct and was not barred from enforcing the patent; that (d) an injunction should issue enjoining and restraining the plaintiff from making or selling any transparent or colored non-fibrous, film-backed pressure-sensitive tape or sheeting embodying the invention of Letters Patent No. 2,177,627; that (e) defendant recover of the plaintiff the damages which defendant had sustained by reason of the aforesaid infringement; and that (f) plaintiff's complaint, amended complaint and supplemental complaint be dismissed with costs.

The patent expired October 31, 1956. Plaintiff-appellant has filed a substantial bond for any damages ultimately awarded.

On this appeal Technical Tape contends (1) that there was no "invention" in what Drew did (Drew II patent,

#2,177,627); (2) that there was no novelty in what Drew did because other patents anticipated Drew; (3) that plaintiff, Technical Tape, did not infringe the Drew II patent; (4) that Minnesota has abused whatever patent rights it may have had and is entitled to no relief.

Every judge before whom the validity of the Drew II patent (#2,177,627) was litigated in the District Court (Judges Barnes and Campbell in the Northern District of Illinois and Judge Bicks in the Southern District of New York) has held the Drew II patent valid. Judge Sparks and Judge Minton of the United States Court of Appeals (7th Cir.) and Judge Baltzell, a District Judge who sat with them and heard the appeals from the judgments entered on the decisions of Judge Barnes and Judge Campbell, upheld the validity of the Drew II patent (159 F. 2d 554). We have considered the evidence in this case on the issue of validity and we are convinced that Judge Bicks' finding of invention and validity should be sustained.

Judge Barnes in *Minnesota Mining & Mfg. Co.* v. *Pax Plastics Corp.*, 65 F. Supp. 303, 306, summarizes the salient features of the Drew II patent,[2] as follows:

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2 The Drew II patent (#2,177,627) after briefly describing the invention in its opening paragraph (footnote 1), mentions the packaging problems which it would help solve. Those problems arose from the use of "packaging and wrapping sheets composed of thin, transparent and flexible non-fibrous films" and the need for sealing or fastening the sheets with proper adhesives, a need which the old conventional adhesives could not meet because of "the non-porous or highly glazed surfaces provided by this type of sheet material" which is transparent and waterproof.

The patent then goes on to describe how, under Drew's invention, the sheets of film material "are provided with coatings of normally tacky and pressure-sensitive adhesive firmly united thereto." These and other characteristics of the adhesive are discussed in the patent as follows:

"By 'normally tacky and pressure-sensitive' it is meant that under ordinary atmospheric conditions the adhesive is stably in a condition such that it does not need to be activated by solvents or heat or otherwise prepared in order to secure good adherence to surfaces

Decision of the Court of Appeals

"The claims in suit are drawn to a new kind of adhesive sheet or tape having a field of utility not possessed by any prior adhesive tape of any kind. Whether transparent or colored, and whether involving a primer or not, this tape is stably and aggressively tacky and seals instantly on contact with almost any surface, without moistening or heating. The backing is a thin transparent film having smooth, glassy surfaces, such as

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against which the adhesive coating (with its backing) may be pressed when used. An adhesive coating is provided which enables the adhesive sheeting to be affixed to smooth lustrous surfaces, such as non-fibrous cellulosic surfaces of wrapping or packaging sheets or films. An object of the invention is to provide a unified adhesive coating possessed of such coherence in relation to adhesiveness and so firmly united to its backing that the adhesive sheet may be stripped from smooth non-fibrous surfaces (not possessing special chemical affinity for the adhesive), to which it may have been temporarily applied, without offsetting of adhesive material. Hence the adhesive coating may be termed 'non-offsetting,' and this expression designates an important phsyical or physico-chemical property or characteristic of the adhesive coating, namely, that its coherency is greater than its adhesiveness. Further, an object is to provide adhesive sheets having an adhesive coating that is in elastic equilibrium with its backing so that warping and curling of the sheet, and blistering of the adhesive coating, are avoided."

The drawings accompanying the patent show three figures, which are described on page 1 of the patent as follows:

> "Fig. 1 shows a roll of adhesive tape, the tape having a non-fibrous film backing provided with a water-insoluble normally tacky and pressure-sensitive adhesive coating, which may be unwound without delamination or offsetting of adhesive;
>
> Fig. 2 is a diagrammatic cross-sectional representation of a construction in which a primer coating is interposed between the backing film and the normally tacky and pressure-sensitive adhesive coating; and
>
> Fig. 3 is a corresponding representation in which the primer coating is omitted."

The patent sets forth various compositions of the adhesive—Examples A and B can be used "where transparency of the adhesive tape is not of major importance"; Example C, "where it is desired to obtain a clear composite of backing material and adhesive"; Example D, "where

cellophane. Both the colored and transparent types have been widely used for sealing packages. The colored type provides an attractive decorative seal for packages and has also been widely used as a coding tape for wires and tubes. The adhesive contains coloring material visible through the transparent film backing and produces the optical illusion that the backing film is colored, thus causing the back surface of the tape to have a lustrous colored appearance. The backing film protects the colored stratum from becoming smeared or dirty in use of the tape, and provides a back surface to which dirt does not readily cling. The transparent type of tape provides an 'invisible' sealing, mending

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lack of transparency is not objectionable and the addition of a colored hue to the composite of backing and adhesive material desirable." And where "maximum transparency and the highest possible bond strength and firmness" are sought, a composition described in Example E is recommended.

The patent further explains how—

> "In making the adhesive, the rubber base and the resin base determine the tackiness exhibited by the finished product. This relationship, also coupled to a certain extent with the treatment given to the rubber, determines this factor.
>
> In producing a clear adhesive, the relationship of plasticizer (above listed in the form of liquid paraffin oil) and resinous material may be considered as constituting the tack producing phase of the adhesive and up to a certain point the greater the quantity of the tack producing phase that is added to the rubber, the greater the tackiness exhibited in the rubber base adhesive."

The patent also states how the materials for the formulas are to be prepared and the various steps and methods to be followed in obtaining the proper mixture for the adhesive. The patent then describes the methods to be followed in applying the adhesive to cellulose sheet backing.

> "In use, the adhesive as above described may be directly applied to the backing or sheets of transparent gelatinized cellulosic materials, previously enumerated, and forms a desirable product.
>
> Where considerable unification is desired between the adhesive layer and the backing material, to assure proper anchorage of the adhesive layer with the backing material, thereby assuring satisfactory unwinding or separation when the composite is formed into rolls or stacks, it is preferred to first coat the sheet of gelatinized

and holding tape widely used for sealing packages, mending books, records, maps and charts, and fastening posters on windows and bulletin boards. Both types of tape have many other uses."

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cellulosic material with a priming composition. Priming on one surface is particularly effective with sheets formed of regenerated cellulose. The priming operation consists of first coating the backing material before application of the adhesive materials previously described."

Five different formulas for the primer, when used, are described and discussed in the patent. A primer coating is mentioned in Claim 10 but not in Claim 4.

Claim 4 of the patent states:

"4. A transparent adhesive sheet comprising a non-fibrous transparent flexible film backing having non-porous surfaces and a water-insoluble normally tacky and pressure-sensitive transparent flexible adhesive coating, said adhesive coating being firmly united to said backing and the adhesive and backing being of such kinds that the back surface of the backing is inactive to the adhesive coating to a degree permitting unwinding of the adhesive sheet from rolls thereof without delamination or offsetting of adhesive."

Claim 10 states:

"10. An adhesive sheet comprising a transparent flexible non-fibrous film having non-porous surfaces, a coating thereupon of a non-offsetting transparent normally tacky and pressure-sensitive water-insoluble adhesive, and an interposed transparent primer coating unified both to said surface and to said adhesive coating, the composite sheet being transparent and its parts so firmly united that it may be unwound from rolls thereof without delamination or offsetting of adhesive."

Claim 4 is typical of Claims 5, 6, 8 and 15; and Claim 10 is typical of Claims 11 and 16. Claims 13 and 14 provide for the use of coloring material in the adhesive. Claims 15 and 16 provided also: "said adhesive sheet transmitting light so that the sheet will not conceal the coloring or markings of surfaces to which applied."

The type of sheet is a sheet of cellophane; the type of adhesive is a "water-insoluble normally tacky and pressure-sensitive transparent flexible adhesive coating" (the formulas are described in the patent) which when applied to the front surface of the film backing becomes firmly united to it, and is of such a kind that the sheet can be wound, and the back surface of the backing is inactive to the adhesive on the front surface to a degree that, when the sheet is unwound, none of the adhesive is offset or becomes attached to the back surface of the film backing, because the cohesiveness of the adhesive coating is greater than its adhesiveness.

The patent in suit is not invalid on the grounds that it is an aggregation of components that were old. Plaintiff contends that cellophane sheets were old and so was the use of rubber, resin, and rubber-resin adhesive; and that plaintiff's patent is simply an aggregation of the two. Plaintiff's premise does not fully state the facts and its conclusion is not correct. Defendant's aggregation of old elements produced a "new quality" and "function," and a new article. It contributed something not had before. It added "to the sum of useful knowledge." It required "more than ordinary mechanical skill" to produce it. *A. & P. Tea Co.* v. *Supermarket Corp.*, 340 U. S. 147 at pages 151 and 152. A novel combination of old elements which cooperate with each other so as to produce a new and useful result is patentable. *Weller Mfg. Co.* v. *Wen Products, Inc.* (7th Cir.), 231 F. 2d 795, 798; *Brown* v. *Brock* (4th Cir.), 240 F. 2d 723, 726; *Zonolite Co.* v. *United States* (Court of Claims), 149 F. Supp. 953, 955.

It is defendant's contention that Drew was the first to produce film backed, normally tacky, pressure-sensitive and water-insoluble adhesive sheets and tape, all of which is clearly and fairly defined in the specifications and claims of the Drew II patent.

The specifications of the Drew II patent use the words "adhesive sheets or tapes" in the first paragraph and many times thereafter, although the claims refer to adhesive sheets. The adhesive sheets of the Drew patent claims could be of any width, such as tape size material.

That Drew's patent involved invention is established in several ways. It had been sought by expert chemists of the DuPont Co. and of Johnson & Johnson, for a number of years, unsuccessfully. *Expanded Metal Co.* v. *Bradford*, 214 U. S. 366, 381; *Loon Co.* v. *Higgins*, 105 U. S. 580, 591.

In his own experiments Drew stumbled upon it. Of course, after Drew's discovery it all seemed simple. With Drew's patent to point the way, infringing competitors would claim that it was so obvious that there really was nothing to it; that it did not require anything but mechanical skill and the use of known materials. But the demand had long existed; skilled men had sought to meet the demand without success. *Inland Mfg. Co.* v. *American Wood Rim Co.*, 14 F. 2d 657, 659 (6th Cir.). In the recent case of *Rohm & Hass Co.* v. *Robert Chemicals, Inc.*, decided May 27, 1957, —— F. 2d —— the Court of Appeals for the Fourth Circuit in reversing a District Judge's holding that the patent in suit before him was invalid for anticipation, stated:

> "Since Hester tried and succeeded where Tisdale and the duPont Company tried and failed, we may fairly conclude that the discovery was not obvious to persons skilled in the art."

The phenomenal success of the Scotch tape produced by the defendant under Drew's patent is not to be overlooked in considering the question of invention. The Seventh Circuit called it "quite astonishing." Drew had hit upon something that was useful in many industries in packaging and sealing their products. Although commercial success is not decisive on the issue of invention it is a factor that should not be ignored. *Wahl Clipper Corp.* v. *Andis Clipper Co.*, 66 F. 2d 162, 165 (7th Cir.).

In considering the issue of invention and "how far beyond commonplace contriving was the foresight necessary to think out the combination," the courts find it enlightening to resort to "the history of what went before, the duration of the period during which the invention was needed but failed to appear and its acceptance when it did." L. Hand, *J.*, in *Landis Mach. Co.* v. *Parker-Kalon Corp.*, 190 F. 2d 543, 546. "Substantially all inventions are for the

combination of old elements; what counts is the selection, out of all their possible permutations, of that new combination which will be serviceable." *Safety Car Heating & Lighting Co.* v. *General Electric Co.*, 155 F. 2d 937, 939.

The prior art on which plaintiff-appellant relies on this appeal as anticipating Drew II patent will now be discussed.

Plaintiff points to the *Brandenberger French patent* (#433,999, 1912) as an example of the prior art that anticipated Drew. Brandenberger's French patent stated: "The (cellulose) sheets can be bonded by means of any adhesive substance, but, in order to increase their electrical resistance, they can be coated first with linseed oil, a solution of rubber or any insulating varnish. These coatings or varnishes can themselves serve as adhesives." Brandenberger, while a technical adviser of DuPont, never suggested that his French patent of 1912 would give DuPont the answer to its problem of getting a proper sealing medium for its cellophane. If any of his patents[3] had anticipated Drew, and if Drew merely made such advances over Brandenberger as anyone skilled in the art could have made, it is surprising that Brandenberger did not accomplish this himself. No one was in a better position to do so with his years of experience and all the research resources of DuPont within his reach.

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3 The Brandenberger United States patent #1,221,825, was withdrawn during the trial before Judge Barnes in the *Pax Plastics Corporation* case (65 F. Supp. 303 at p. 305). It had been pleaded as anticipating Drew II in the *International Plastic Corp.* case, but Judge Barnes ruled otherwise. On appeal, the Seventh Circuit stated that it was convinced that the Brandenberger #1,221,825 patent did not in any way anticipate the disclosures of the Drew II patent. It appears from Minnesota's brief on appeal in the *International Plastic Corporation* case (*supra*) that the Brandenberger patent #1,221,825, issued in 1917, showed the use of an adhesive "to cement together a plurality of films in making a multi-layer photographic film," that "there was no disclosure of pressure-sensitive adhesives," and that it had nothing "to do with the adhesive tape art."

The *Kronstein patent* (#1,944,562) was not mentioned in the opinion of the Seventh Circuit (159 F. 2d 554), but it was later considered by Judge Campbell in the *Neisner Bros. Inc.* case (122 F. Supp. 752, 754). He noted the similarity between the Brandenberger French patent #433,999 and the Kronstein patent and found that it did not anticipate Drew II. The Brandenberger French patent was intended to increase the insulation feature of cellulose sheets when bonded together by an adhesive substance, which also filled the pores of the sheets. That Kronstein's ideas were quite similar to Brandenberger's is not disputed. Both dealt with the use of cellophane as an electrical insulation with an adhesive coating. Judge Campbell pointed out that the "problems which confronted Kronstein and Brandenberger were not the same as those which confronted Drew, and their inventions were designed for correspondingly different uses."

In the case at bar, the trial judge considered the Kronstein patent and quoted in a footnote to his opinion the finding of Judge Barnes in the *Pax* case (65 F. Supp. 303) as to the Kronstein patent for an electrical insulating band or ribbon. Neither the French Brandenberger patent nor the Kronstein patent anticipated the Drew II patent.

Plaintiff-appellant argues that the *Hodgson patent* #1,467,108 disclosed the subject matter of the Drew II patent and observes that it is not discussed in the opinion of the District Court in this case. But the District Judge stated in his opinion that he had examined the patents referred to as prior art and compared each with the patent in suit and that the Drew patent is sufficiently distinguished from them.

The Hodgson patent is for a "dental film mount" and was issued September 4, 1923. It states that "This invention relates to mounts for photographic films and particu-

larly to mounts adopted to hold small dental Rontgenographic negatives so that they may be examined by transmitted light, and so that they may be readily filed." The mount has a window and the film, which is larger than the window opening, is attached to the back of the mount by an adhesive substance. The adhesive is referred to as a "slow-drying adhesive, the desired characteristic being that the adhesive shall remain 'tacky' for a very considerable length of time." The *Hodgson* patent also states that "While the particular composition of the adhesive is not of importance, it is preferably a composition of rubber and coal-tar pitch with any suitable softener such as benzol, gasoline or chloroform."

The patent describes and shows the mount as consisting of two parts. The face sheet is an opaque fabric with an opening in it. The rear sheet is of opaque paper, with an opening in it slightly larger than the face sheet, so that a small margin of the face sheet is exposed all around the rear sheet, when covered by the face sheet. An adhesive is applied to all of the back of the face sheet and when the rear sheet is applied to the face sheet, it will stick to it and at the same time leave a small margin of the rear of the face sheet, with the adhesive thereon, exposed around the opening. The negative may be pressed down from the rear around the aperture against the exposed small margin of the front sheet with the adhesive thereon, and is thus held in place—"but should it be desirable for any reason to remove the negative, this can be done since it can be stripped from the adhesive without injury to its diagnostic value." That is so because the picture on the film is so centered that it does not reach to the outer parts of the film which were applied to the exposed adhesive part of the mount. What happens to the adhesive when the film is removed? Does some of it detach itself from the paper mount and adhere to the film? Does all the adhesive re-

main on the paper mount? Does all of it attach itself to the film? The patent is silent as to that. And Mr. Shalita, in explaining the Hodgson patent for the plaintiff, admitted that it did not say that the adhesive was non-offsetting or transparent.

The Hodgson patent in no way anticipated the Drew II patent. It does not teach what the Drew II patent taught, nor does it claim anything like what is claimed in the Drew II patent. A comparison of the claims of the two patents proves that absolutely.

Plaintiff complains that defendant's main answer to the Hodgson patent is to scoff at it. The fact is that in all the cases in the District Courts in which Hodgson has been cited as anticipating Drew II, it has been ignored by the courts, as not worthy of any discussion. The Seventh Circuit found no merit in the contention that Hodgson's patent anticipated the Drew II patent. And as defendant's counsel herein remarks "there is no evidence that anyone was ever inspired by it to conceive of Drew's entirely different product." We agree with the conclusion of the Seventh Circuit that the Hodgson patent did not in any way anticipate the disclosures of the claims in suit.

A basic difference between the *Drew I patent* (#1,760,820) and the Drew II patent (#2,177,627) is that the former applied an adhesive to a porous backing such as "paper or similar fabric material," while the latter applied an adhesive to a non-fibrous film backing. Drew I also refers to a "unified cellulosic backing" which is defined as meaning "to include a web of fabric comprising paper chosen from the materials herein described including gelatinized cellulosic sheets such as parchmentized paper" and various other types of paper, treated with various compositions. Parchmentized paper is not transparent; and it is not non-fibrous or non-porous. No one of the six claims

of the Drew I patent mentions a "film backing." In Drew II the term "film backing" is used in all the claims except 9 and 10. Claim 9 uses the expression "regenerated cellulose film," and Claim 10 a "non-fibrous film."

That plaintiff infringed the Drew II patent is clear from the supplemental complaint [paragraph 8(c)][4] and the

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4 "8.(c) Defendant has brought suit in the District Court of the United States in Chicago, Illinois, against a number of parties for infringement of the said patent No. 2,177,627 by reason of the manufacture and/or use and/or sale of pressure-sensitive adhesive tapes and sheets substantially identical with or not materially different from those manufactured and/or used and/or sold by plaintiff herein. These suits are identified as follows:

Minnesota Mining & Manufacturing Company v. Pax Plastics Corp., et al., Civil Action 45 C 846, reported at 65 F. Supp. 303; Minnesota Mining & Manufacturing Company v. International Plastic Corporation et al., Civil Action No. 44 C 202, reported at 62 F. Supp. 34 and at 159 F. 2d 554, and Minnesota Mining & Manufacturing Company v. Neisner Bros., DC, ND, ILL, ED Civ. Action No. 51 C 1789, filed November 7, 1951." [This is reported at 101 F. Supp. 926 and at 122 F. Supp. 752.]

5 "5. Tech. Tape admits that, prior to the time the complaint was filed, it made, used and sold transparent non-fibrous film-backed pressure-sensitive adhesive tape having the following construction:

(a) a backing of cellophane, which is a transparent, flexible, non-fibrous film backing having smooth, lustrous surfaces;

(b) an adhesive coating prepared from rubber and resin which is normally tacky and pressure-sensitive, is water-insoluble, is firmly bonded to the backing, and is non-offsetting, and is transparent and flexible, the back surface of the backing being inactive to the adhesive coating to a degree permitting unwinding of the tape from the roll without delamination or offsetting of adhesive;

(c) a primer coating interposed between the backing and adhesive coating and firmly bonding the adhesive coating to the backing, the primer coating being transparent and flexible."

"9. Tech. Tape further admits that prior to the time the counterclaim was filed it has manufactured, used and sold tape constructed as described in paragraph 5, except that the adhesive coating is prepared from polyvinyl ether rather than rubber and resin."

Agreed Statement (Ex. B) [paragraphs 5(a)(b)(c) and 9].[5] The use of a primer is included in Claims 10, 11 and 16 of the Drew II patent. But the use of a primer is not essential to producing a satisfactory tape under the other claims of the patent (except Claim 9, not relied on by defendant).

The exception mentioned in paragraph 9 of the Agreed Statement limited that admission to the use by plaintiff, in one of its tapes, of an adhesive coating "prepared from polyvinyl ether rather than rubber and resin." The latter is a second type of accused tape, which used an adhesive very similar to that which Judge Campbell had before him in the *Neisner* case (101 F. Supp. 926, and 122 F. Supp. 752, 754). Even if the equivalent plaintiff used was unknown at the time of Drew's invention, it was none the less an equivalent and infringed—*Finkelstein* v. *Kress*, 113 F. 2d 431, 433. The substitute functions in the same way as the original and produces the same result.

Judge Barnes had decided the suits of Minnesota against Freydberg and against Bulkley in Minnesota's favor on March 30, 1946, 65 F. Supp. 303, affirmed 159 F. 2d 554 on January 9, 1947. The tape they sold as Illinois distributors of Cofax was made by Cofax, a New York corporation. The plaintiff, Technical Tape Corporation, a Delaware corporation, was organized in 1947, with a place of business in New York City. In August or September 1947 plaintiff hired Shalita, who had worked for Cofax from 1942 to early 1946 and then for another concern. Shalita became a director and Vice-President of plaintiff. Mr. Cohen, the President of Technical, testified that plaintiff leased a factory in October 1947 and began production in the late Spring of 1948. At first plaintiff produced paper backed and cloth tapes, like the masking tape of the Drew I patent, which had expired on May 27, 1947. Later it also manufactured cellophane backed tapes and tapes having

backings with non-fibrous surfaces. According to the supplemental complaint, at least as early as 1950, plaintiff was preparing to manufacture film backed pressure-sensitive adhesive tape and had requested in writing a license from defendant which was refused in September and October 1950. It also appears that as early as October 1950 plaintiff had had a Canadian affiliate manufacturing the said tape upon instruction of plaintiff and that plaintiff had imported the tape from Canada. Also, according to the supplemental complaint plaintiff, itself, has manufactured cellophane backed pressure-sensitive adhesive tape of the kind defendant charged was being manufactured and sold by plaintiff in infringement of Drew II patent, #2,177,627, since as early as about May 1951 and had sold such tape in the United States since prior to November 17, 1951.

Plaintiff's infringement of defendant's patent was deliberate. When he was seeking a license from Minnesota the plaintiff's president declared he would make a pressure-sensitive adhesive tape whether or not he got the license. He read the Drew II patent a hundred times. He persuaded an employee of Minnesota's (a quality control man) in May 1951 to get Minnesota's "standard books" and advised him to keep from his employer the fact that he was to enter plaintiff's employ. He hired an expert, Shalita, who had made an infringing tape for Cofax Corporation. That was the tape involved in Minnesota's suit against Freydberg, and its suit against Bulkley, heard by Judge Barnes who held that the Cofax tape infringed Minnesota's tape. The judgments were affirmed in 159 F. 2d 554. Shalita had made tapes from the Drew patent examples. With that group around him, the president of the plaintiff-appellant herein, finally made a tape which was so similar to Minnesota's in every respect that at the trial even he could not tell the one from the other, without an identifying name on the core. The Technical Tape Cor-

poration was a willful infringer. *Colgate-Palmolive* v. *Carter*, 230 F. 2d 855.

DEFENDANT'S ALLEGED "MISUSE" OF THE DREW II PATENT

As a special defense to defendant's counterclaim for patent infringement, plaintiff charges that the defendant has "misused"[6] the Drew II patent (#2,177,627), and does not come into court with clean hands; and therefore asks that defendant be denied any relief on its counterclaim. Plaintiff contends that 3M abused its patent monopoly on transparent adhesive tape (Drew II patent) in two ways: (1) by selling its transparent adhesive tape on the condition that the purchaser thereof buy other 3M tape not covered by the patent in suit (citing *Morton Salt Co.* v. *Suppiger Co.*, 314 U. S. 488); and (2) by selling its patented transparent adhesive tape on the condition that the purchaser thereof refrain from buying other adhesive tape products, not covered by the patent in suit, from any other manufacturer (citing *F. C. Russell Company* v. *Consumers Insulation Company*, 226 F. 2d 373).

To support the charge of "misuse" plaintiff took the depositions of six distributors, and at the trial produced oral testimony of a seventh distributor, and his wife.

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6 The charge of "misuse" is contained in the last paragraph of plaintiff's "Reply" as follows:

"defendant sells its patented adhesive tape in commerce among the several states on the condition that the purchaser thereof shall buy adhesive tape, not covered by the patent in suit, from defendant, or its licensees; and that the purchaser shall refrain from buying adhesive tape not covered by the patent in suit from anyone other than defendant, or its licensees; whereby defendant unlawfully extends the monopoly, if any, of said patent to cover products not covered by any valid claim thereof."

The seven distributors are: Lloyd's Office Supply of Pawtucket, Rhode Island (an Industrial Tape Division account); Edwards Paper Company of Roxbury, Massachusetts (an Industrial Tape Division account); Southern Stamp and Stationery Company of Richmond, Virginia (an Industrial Tape Division account); Cammack Office Supply of Burlington, North Carolina (a Wholesale-Retail Tape Division account); Anchor Office Supply Company of Cleveland, Ohio (a Wholesale-Retail Tape Division account); Crown Office Supply Company of Chicago, Illinois (a Wholesale-Retail Tape Division account); and Aviation Service Supply Company of Denver, Colorado (an Automotive Tape Division account). Plaintiff also examined before trial Al Drew, defendant's New England District Sales Director of its Industrial Sales Division. Both sides read parts of Drew's deposition into the record of the trial. All the depositions were received as exhibits.

The defendant rebutted the charge of misuse, by the cross-examination of the distributors whose depositions were taken,[7] by the cross-examination of the Arnolds, by

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7 C. L. Arnold and his wife, Elizabeth, owners of the *Lloyd's Office Supply Co.* of Pawtucket, R. I., testified for the plaintiff, in part as follows:

The Lloyd Company's customers were mostly mills, factories, offices and governmental institutions. When Lloyd commenced business in 1949 it sold only the 3M line of tapes. In 1951 Lloyd took on Tech Tape products, which sold at a lower price. In September 1953 a 3M sales representative called on Mr. Arnold and told him that if he wished to continue selling 3M tape he would have to stop selling Tech Tape. Al Drew told Arnold that that was the defendant's policy. At the time there was an unfilled order for a customer named Glasscraft, a corporation in which Mr. Arnold had a stock interest. Later when Tech Tape came out with a new tape meeting Glasscraft's requirement Arnold sold Glasscraft some of that tape. Lloyd sells both "Technical" and "Industrial" tape products. About 81% of Lloyd's purchases of 3M tape from defendant, were on behalf of Glasscraft, to which defendant would ship direct.

Mr. Smith testified that he had no personal knowledge of the Lloyd company matter. Lloyd failed to meet defendant's requirements that

using parts of the deposition of Al Drew, by testimony of Charles C. Smith, General Manager of the defendant's Cellophane Tape Division for the Wholesale-Retail trade, and by testimony of John J. Bennison, the Eastern Re-

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the bulk of a distributor's buying should go to more than one customer, a policy that was in effect for a long time. Al Drew testified that the defendant did not have any policy under which defendant would refuse to sell any jobber unless he sold only 3M's tapes, and that he never offered Lloyd's any exclusive sales agreement. Bennison testified that the defendant had no exclusive dealing policy and no tie-in sales arrangement with any of its jobbers.

Mr. Trachtenberg of *Edwards Paper Company* of Roxbury, Mass., stated in his deposition taken by plaintiff in part as follows: That his company had been in business selling industrial customers since 1945, and that from 1947 to 1952 he had bought his tapes from the plaintiff (Technical Tape); that in 1952 he began to stock defendant's tapes. A salesman of defendant told him there was no reason why he could not handle defendant's tapes even though he was selling plaintiff's products. Early in 1953 defendant's agent cut him off, saying that it was pursuant to a new policy of exclusive handling, that if he handled any other tape he could not handle defendant's; and that an order he gave for 3M tape was refused by defendant in March 1953. On cross-examination it developed that in 1952 Edwards Paper Company made only five purchases of defendant's products, totalling $407.18 and two orders in January and February 1953 for $272.37; and that all of the purchases (except $40) were made for the benefit of a single customer (Ware Shoe Co.) whose requirements called for 3M tape No. 880 and who had purchased 3M tape before becoming a customer of Edwards. The Edwards Company had also sold about $100.00 worth of 3M masking tape (the Drew I patent) in 1952 and 1953.

Al Drew testified that he instructed a salesman, Mr. Burhoe, to notify the Edwards Company that it was no longer considered a distributor. One of the requirements for defendant's distributors was that the bulk of their sales should be to more than one customer. The Edwards Company's sales were practically all to one customer.

Mr. Smith had no personal knowledge of the Edwards Company matter, but he had heard about it. It was not in his subdivision. Mr. Bennison, who was Mr. Drew's superior, testified that the defendant had no exclusive dealing agreement or any tie-in sales arrangement with any of defendant's jobbers.

The deposition of Mr. Rosendorf, a partner in *Southern Stamp and Stationery Co.* of Richmond, Virginia, taken by plaintiff, was in part as follows: The Company sells a line of stationery supplies, office furniture and equipment and is one of the largest in Richmond. It purchased 3M products from 1942 to 1952, averaging about $40,000

ional Sales Manager for the Industrial Trade Division f defendant.

Concerning the seven distributors, the trial judge stated n his opinion: "The situation with respect to each of

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a year. In 1953 it sold $25,000 of 3M products, mostly drop shipments and its principal customer was Reynolds Metals Co. In late 1952 Southern opened an account with Tech Tape as a distributor. In November 1953 two representatives of 3M called on Southern and complained that other makes of tape were being used in 3M dispensers. Southern was selling Tech tapes to the Reynolds Co., which was using it in 3M dispensers, acquired when Reynolds used 3M tape. The representatives of 3M said they would recommend that Southern be not allowed to sell 3M tape. In December 1953 Rosendorf was again visited by representatives who said Southern's orders for 3M tape would not be filled, that Southern could have them filled by "the other fellow," Tech Tape. Southern's orders for 1953 were mostly drop shipments to manufacturing customers. For the last nine months of 1953 Southern's total purchases of 3M tapes for store customers was only $194.96. In five of those nine months Southern made no such purchases. Southern was pushing Tech tape in preference to 3M's, even when the customer asked for 3M's tape, because Tech tape was cheaper and afforded Southern a larger profit. Only if the customer insisted on 3M tape did Southern sell him 3M. It was Southern's policy to do that. Mr. Smith testified that he did not know the details of the Southern Company matter.

Plaintiff took the deposition of Mr. Cammack, the owner of *Cammack Office Supply* of Burlington, North Carolina, who testified in part as follows: He had handled 3M products and those of Industrial Tape Corp. (a licensee of 3M) beginning 1946 or 1947; and some time later took on the Tech Tape line. In October 1953 he was visited by a salesman and a representative of 3M, who saw Tech Tape products on his shelves. They told him of the pending patent infringement suit. He said that he was going to continue selling Tech tape. He was again visited by 3M's salesman in January or February 1954, looking for an order. Although he was short on 3M products he limited his order to 3M dispensers and small sizes of Scotch tape. Next day he was told his order would not be filled. Between October 1953 and February 1954 he had made no effort to replenish his stock of 3M tape. He was selling Tech tape instead, and was displaying Tech cellophane tape in defendant's Scotch tape dispensers, which bore defendant's name. Mr. Smith of 3M testified that Cammack was not cut off and that he was still carried on the records of 3M's Atlanta Branch as an active customer.

Plaintiff took the deposition of *Anchor Office Supply Co.* of Cleveland, Ohio, through its president, Mr. Rosenblatt, who testified in part, as

these seven distributors has been considered and the Court is satisfied that the conduct of 3M (the defendant) in each instance was motivated solely by honest business considerations in no wise related to an attempt to extend the monopoly of the Drew Patent."

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follows: The company was organized in June 1950 and handled office supplies and equipment and sold various types of tapes, including masking tape and cellophane tape. At first it handled 3M tape. It sold about $12,000 a year of 3M's cellophane tape and masking tape. In 1952 Anchor began handling Tech tape. In April 1954 when the City of Cleveland asked for bids on "Scotch" tape, Rosenblatt inquired if the City would accept a tape equally as good and he was the successful bidder and supplied Tech tape. Shortly thereafter two of 3M's salesmen came to see him about the bid and he was told that if he continued to sell Tech tape, 3M would be forced to take its line away from him. Rosenblatt stated that he then called the Department of Justice office in Cleveland to inquire if they could do that to him, and shortly thereafter (April 7th) received a letter from the Department saying that an investigator of the Department, an Agent of the F.B.I., would call upon him. Rosenblatt contended that the letter was in response to the telephone call. But the letter was from New York, not from Cleveland, and at that time an investigation of all the stationers in Cleveland was in progress, in connection with an indictment handed down against a local group of stationers early in 1954. Mr. Rosenblatt had been informed prior to his conversation with the two 3M representatives that there was a patent suit pending between 3M and Tech Tape. Since the conversation Anchor has purchased mainly one line of tape, 3M, but it has also purchased Tech tape to fill certain contracts on which Anchor submitted bids. There was some testimony that Anchor had sent a drop shipment order for 1152 rolls of 3M's tape for a small restaurant next dor to Anchor's place of business (the inference being that the order was actually for Anchor itself), on which Anchor got an additional 7½% discount. Mr. Smith testified that the discussion with Rosenblatt and the differences between them had to do with the matter of Anchor's substituting Tech tape on orders for 3M tape, and also using fake drop shipments, all of which Anchor agreed to stop; and that 3M has never refused to sell Anchor.

Three representatives of the *Crown Office Supply Company*, of Chicago, Illinois, Mr. Avery, President, Mr. Ackerman, Vice-President, and Mr. Schultz, a purchasing officer, testified by deposition, in part as follows: The company first sold 3M's Scotch tape in the early 1930's. In 1939 or 1940 they sold defendant's "masking" tape. They ceased making purchases from defendant in December 1952. After the Tech line of products was taken on by Crown, 3M's products were

A jobber who resorted to the disparagement of defendant's products in order to substitute other and cheaper brands of tape, including infringing brands of tape, where

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no longer advertised in Crown's circulars but Tech Tape's were. Crown's twelve salesmen at the same time were instructed to tell their customers that Tech's line was a good line, comparable to what Crown had been selling (3M's), but sold at a lower price. When a customer asked for "Scotch" tape, defendant's product, Crown's salesmen would try to sell him the Tech tape product. Money-wise it was to Crown's advantage to push Tech tape. Crown had theretofore purchased an average of $30,000 to $40,000 of 3M tapes a year.

In December 1952 two representatives of defendant called upon Crown with a Crown trade circular. Crown's business with 3M had fallen off in the last few months. Crown's circular was pushing Technical Tape's products and did not mention 3M's. Crown allegedly was told that if it continued selling Tech tape the defendant would not sell Crown any more. Orders sent 3M were refused.

Mr. Smith, for defendant, testified that Crown was substituting Tech tape on customers' orders for Scotch tape, and that Crown was told that unless it stopped that practice, defendant did not want to do business with it. Crown also, according to Mr. Smith, had submitted false drop-delivery orders to 3M, in order to gain an additional discount. Crown had put out the trade booklet above mentioned. Mr. Smith sent a representative to protest against these unfair and discriminatory practices.

Plaintiff also took the deposition of Mr. Christensen, Treasurer and Chairman of *Aviation Service Supply Company* of Denver, Colorado. At one time the company carried the tape products of Industrial Tape Corp., 3M and Tech Tape Corp. It is no longer an authorized distributor of 3M products. Aviation tried to become a distributor for 3M, but defendant was unable to meet the requirements of its current jobbers. Aviation then became a distributor for Industrial Tape and sold as much as $7,000 a month of its products. Late in September 1953, Aviation agreed, at the request of several customers, to become a distributor of 3M [illegible]ucts. An arrangement was made, expressed in correspondence.

In the Spring of 1954 a representative of 3M called on Christensen concerning a bid in which Aviation had quoted and specified Tech tape. Christensen testified that further visits were made and that he was informed that because of Aviation's activities with competing lines, 3M felt it could not properly represent and promote 3M's products and that it was no longer an authorized distributor and could return 3M merchandise for credit. There was some correspondence between the two companies.

the customer wanted defendant's tapes; a jobber who did not deal fairly with defendant's products in displaying and selling them; a jobber who was more interested in pushing the sales of competitors' products to the detriment of defendant's products; a jobber with only a few customers, who made no effort to sell defendant's product; a jobber who faked so called "drop shipment" orders to mislead the defendant and thus gain a larger discount; a jobber who was habitually delinquent in paying his bills—jobbers who did any of those things were not desirable distributors of defendant's products and defendant was not required to continue them as distributors.

A "drop shipment" order called for direct shipment of 3M's products to the jobber's customer. The jobber would receive a trade discount on such orders, because as a rule they were large and saved 3M warehousing expense. Some jobbers submitted fictitious orders and thereafter picked up the goods themselves to be utilized as stock inventory, thereby receiving a trade discount which was not given on purchases by jobbers for their own stock inventory.

The so-called "select distributorship policy" concerning which Al Drew was examined, was developed by the Industrial Tape Division about mid-summer of 1953. It did not apply to any other tape division of the 3M organization. Two of the five distributors (Aviation and Crown), alleged to have been cut-off because of their refusal to agree

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On Christensen's cross-examination it was developed that at times Aviation's salesmen would attempt to sell Tech tape to customers who had specified 3M tape; that Aviation permitted its office facilities to be utilized by Tech Tape sales representatives as a base of operations, and that Aviation had been tardy in paying its bills to 3M. When Aviation and 3M came to a parting of the ways in March 1954, Mr. Christensen wrote 3M: "We wish to thank you for past favors you have rendered our company and wish to express our regrets for the circumstances which had made this necessary." On the same day Mr. Christensen wrote Tech Tape a letter condemning defendant and enclosing copies of Aviation's correspondence with defendant, for plaintiff's use. Mr. Smith knew none of the details of the Aviation Company matter.

to the select distributorship policy, were not industrial jobbers within the jurisdiction of 3M's Industrial Tape Division.

As to the three remaining, Southern was cut-off from 3M's tape products in December of 1953 for reasons stated herein in footnote 7. There is nothing in the testimony to support plaintiff's contention that Southern was cut-off because it refused to accept the so-called "select distributorship policy." Likewise there was no connection between Edwards being cut-off as a 3M distributor and the select distributorship policy of the 3M Industrial Tape Division. Edwards was cut-off for other reasons, as indicated in footnote 7, some four or five months prior to the time the "select distributorship policy" was proposed by 3M's Industrial Tape Division.

The testimony of Arnold and his wife (*Lloyd's Office Supply Co.*) that in September of 1953 he was informed that 3M had a new company policy and that under such policy Lloyd, if it wished to continue selling 3M tape would have to agree to stop selling Technical Tape, and that when he refused he was cut-off, was inconsistent with the testimony of Al Drew, who denied that any proposal of select distributorship was made to Lloyd's Office Supply Company, and was inconsistent with the testimony of Bennison and Smith, witnesses at the trial, who testified that 3M does not have a sales policy requiring a jobber or distributor to sell only 3M tape and to refrain from selling other competitive brands. Apparently the trial judge accepted the testimony of Messrs. Bennison and Smith, which he had a right to do. He saw and heard the witnesses in question.

As stated in *International Bureau* v. *Bethlehem Steel Co.*, 2 Cir., 192 F. 2d 304, 306:

> "It is a familiar principle that on appeal in cases tried by the court without a jury findings of fact will be given effect unless shown to be clearly erroneous.

[citing cases]. And, indeed, that principle, together with the correlative one that due regard be given to the opportunity of a trial judge in a non-jury case to determine the credibility of witnesses who appear and testify before him, is firmly embodied in Rule 52(a) F. R. C. P., 28 U. S. C. A."

The trial judge did not specifically discuss Al Drew's testimony[8] in his opinion, but he did state (as a finding

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8 The witness, Albert Drew (a brother of the inventor) whose deposition was taken by plaintiff, stated in the first part of his deposition, that he had submitted to a number of jobbers in New England the proposal that they handle only 3M's pressure-sensitive adhesive tape.

He was asked by plaintiff's counsel whether he had made any "gentlemen's understandings or agreements" with any jobbers or distributors to handle 3M tape exclusively. Drew answered: "In this respect: That we have proposed certain things and they have or have not accepted them." When asked what things he had proposed, Drew answered: "We have proposed to certain distributors that we think are qualified that we furnish them with all the product knowledge we have as salesmen; the facilities of our laboratory; the facilities of our customer engineering group, our merchandising group, and our sales force, and to teach them as much as we can of what we know about the application of pressure-sensitive tapes; where the customers may be found or where they are likely to be found, according to application; to make them as good salesmen for our tapes as we think we ourselves are."

Al Drew testified that these suggestions or proposals were made to jobbers or distributors in the industrial tape division; and that he first made such proposals in the middle of the summer of 1953. Prior to that time 3M provided technical service and assistance to its industrial jobbers and distributors, but in a limited way. Under the new proposal the amount of technical assistance available would be increased. Drew testified that his action in offering such proposals to certain qualified jobbers was reported to his superiors and that they did not disapprove of it.

Of the 25 or 30 who accepted the proposal, all but five or six of the jobbers had always done business with 3M and sold only 3M tape. Five or six, who agreed to give the proposal a trial, had carried pressure-sensitive tapes made by 3M competitors.

Al Drew testified that 3M's general policy with regard to industrial distributors and jobbers, handling or about to handle pressure-sensitive adhesive tape, was that the jobber or distributor have an office and a

of fact based on the evidence) that defendant distributes its products through upwards of 30,000 outlets, including 6,000 paper wholesalers and 4,000 commercial stationers; that many thousands of defendant's distributors and jobbers handle competitive tapes and that "3M" (Minnesota) has never required either that they handle its tapes exclusively; or that as a condition of buying one type of 3M tape, that they should also buy another.[9]

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warehouse; that he have a sales force of at least one, other than the owner; that he have a good credit record, that he have contact with manufacturers who would be 3M customers; that he agree to maintain an adequate stock of 3M tape items so as to properly take care of the immediate needs of its customers; that he have more than one customer using 3M products; and that the bulk of his buying or purchases should be resold to more than one customer. Mr. Drew further testified that this policy was in effect in 1950 and applies with equal force today. Drew defined an industrial distributor or jobber as one whose customers are manufacturing plants, mills and factories. He also testified that defendant did not have any policy of refusing to sell a distributor or jobber because he handled competitive tapes.

9 Mr. Smith, general manager of the Cellophane Tape Division of 3M, and Mr. Bennison, Eastern Regional Sales Manager of the Industrial Tape Division, testified before the trial judge as witnesses for the defendant 3M.

Mr. Bennison's testimony was short and he was not cross-examined. He testified that he was employed by 3M for over eighteen years and supervised the indnstrial tape sales for the Eastern Seaboard. His salesmen would call on manufacturing concerns and distributors who serviced that class of trade. He stated that sales to industrial distributors were not made on any condition that the distributor deal only in 3M tape; that the distributors who purchased 3M tape also purchased tape from others; that 3M made no tie-in sale arrangement with its distributors; that no jobber was required to handle any one type of tape in order to purchase another; and that the customers of the jobbers pretty well determined what the jobber would buy.

Mr. Smith described the managerial set up of 3M. He testified that 3M has three tape divisions, each one headed by a general manager; that he had been general manager of the 3M Cellophane Tape Division for a number of years; that one of the other two divisions dealt with insulation tape; and the third with all other types of tape; that each division had regional sales managers who in turn had district sales managers. Mr. Smith also testified that the Cellophane Tape Division had two subdivisions, the Industrial subdivision and the Wholesale

The trial record on the issue of the so-called "select distributorship policy" proposal, shows that the proposal was made only to certain jobbers or distributors, who were thought to be qualified and not to all the jobbers served by 3M's Industrial Tape Division; that the proposal was not made on any either-or basis, i.e. that if rejected the distributor would be cut off from 3M products; that the acceptance was purely voluntary on the part of the jobber; that the proposal was rejected by some distributors; that those who rejected the proposal were not cut off from 3M products; and that those who accepted the proposals received increased technical service and assistance while those who rejected the proposals, together with other jobbers or distributors who did not qualify, continued to receive 3M

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and Retail subdivision; that each of the subdivisions had its own general manager; that the Wholesale-Retail subdivisions serviced the retail trade through jobbers, and sold principally cellophane tape; that the Industrial division sold to manufacturers through jobbers or distributors, whose sales are mainly of tapes, other than cellophane, although they may also sell cellophane tape to industrial users; and that Al Drew was a district sales manager for the Industrial Tape Division.

Mr. Smith also testified that 3M did not require its distributors or jobbers to handle 3M tape exclusively; that many thousands of them carried competing brands; that no jobber is required to buy any other type of 3M tape in order to buy a particular type; that some jobbers handled only one type of 3M tape; that the jobber himself decides what he wants to buy, based on his customers' needs. Mr. Smith also testified that 3M never had any policy of exclusive distributorship for a given territory; that any jobber or distributor may purchase 3M tape, if he can qualify as such.

Smith further testified that while district sales managers possessed a discretion as to how they would handle their own accounts, they were supposed to conform to established policies; that prior to December 1953 it was the policy to leave the matter of distribution and distributors to the field managers, i.e., the regional managers of 3M; that he had heard that the Industrial Tape Division was operating under what they called a select distributorship policy, but that it did not apply to his Wholesale-Retail Division, although some distributors were in both divisions. The select distributorship policy involved a closer cooperation with the distributor in terms of direct selling, engineering services, technical assistance and the like; the select distributors did not carry 3M tapes exclusively.

products and the technical service and assistance theretofore given them. This fact situation in the case at bar is in no way comparable to that before the Third Circuit in *F. C. Russell Company* v. *Consumers Insulating Company, supra.*

The trial judge also found that a large percentage of distributors identified by the President of Technical Tape as 3M distributors in the New York area are, according to his testimony, also distributors of Technical Tape's products; and that many Technical Tape jobbers or distributors also handle 3M products.

The trial court's opinion refers to the practices condemned by the doctrine of the *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488 (which declared that a court of equity will not lend its aid to protect a patent monopoly when the patentee is using the patent as an effective means of restraining competition with the sale of its unpatented articles) the trial court stated: "There has been a complete failure of proof that the sales policy of 3M falls within the interdicted conduct." And there is no proof that defendant violated Section 3 of the Clayton Act (15 U. S. C. § 14).[10] In fact the proof is to the contrary. The defense of

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10 § 14. SALE, ETC., ON AGREEMENT NOT TO USE GOODS OF COMPETITOR. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce. Oct. 15, 1914, c. 323, § 3, 38 Stat. 731."

"misuse" by defendant of its Drew II patent, appears to be something that plaintiff sought in vain to construct, in order to escape the consequences of its own deliberate and profitable infringement.

A manufacturer has the right to stop dealing with a distributor or jobber who is acting unfairly towards his product or is trying to undermine his trade. That seems to be a proper corollary of *Eastern States Lumber Ass'n* v. *United States*, 234 U. S. 600 at page 614, where it was held that:

> "A retail dealer has the unquestioned right to stop dealing with a wholesaler for reasons sufficient to himself, and may do so because he thinks such dealer is acting unfairly in trying to undermine his trade."

Ordinarily a manufacturer may refuse to deal with a distributor or jobber for reasons sufficient to himself. *United States* v. *Colgate & Co.*, 250 U. S. 300, 307; *United States* v. *Schrader's Son, Inc.*, 252 U. S. 85, 97; and *Brosious* v. *Pepsi-Cola Co.*, 3 Cir., 155 F. 2d 99, 101-102. Of course, this right of a manufacturer must be exercised in good faith, and within the restrictions of the Clayton Act, and may not be exercised in such a manner so as to "substantially lessen competition" or "tend to create a monopoly" in any line of commerce.

The record in the case does not establish that 3M's refusal to sell to five of the abovenamed distributors was done in bad faith, and had as its purpose to substantially lessen competition, or had a tendency to create a monopoly. Further, the Clayton Act was not intended to reach every remote lessening of competition. *Standard Fashion Co.* v. *Magrane-Houston Co.*, 258 U. S. 346, 356-357.

There has been no showing here that "competition has been foreclosed in a substantial share of the line of com-

merce affected," by the so-called select distributorship policy. *Standard Oil Co.* v. *United States*, 337 U. S. 293; *Dictograph Products* v. *Federal Trade Commission*, 2 Cir., 217 F. 2d 821, 825. This is not a case where the manufacturer imposed a uniform exclusive dealing contract on its jobbers and distributors, such as was the situation in the *Dictograph* and *Russell* cases, hereinbefore cited, on which plaintiff relies.

The judgment of the District Court is in all respects affirmed.

District Court Opinion Below

[Record, pages 5869-5896]

BICKS, *D. J.*

Technical Tape Corporation, hereinafter referred to as "Tech Tape", seeks a judgment declaring that United States Patent 2,177,627 is invalid and not infringed by the product it manufactures and markets under the trade name "Tuck". Minnesota Mining & Manufacturing Company, the defendant, which will be referred to as "3M", has counterclaimed for an injunction against further infringement and damages.

The patent has been subjected to judicial scrutiny by the Courts in the Seventh Circuit and consistently upheld. *Minnesota Mining & Manufacturing Company* v. *International Plastic Corporation*, 62 F. Supp. 34 (N. D. Ill. 1945) aff'd, 159 F. 2d 554 (7th Cir. 1947); *Minnesota Mining & Manufacturing Company* v. *Pax Plastics Corp.*, 65 F. Supp. 303 (N. D. Ill. 1946) aff'd, 159 F. 2d 554 (7th Cir., 1947); *Minnesota Mining & Manufacturing Company* v. *Neisner Bros., Inc.*, 101 F. Supp. 926 (N. D. Ill. 1951) and 122 F. Supp. 752 (N. D. Ill. 1954). Plaintiff's procedural agility [See *Minnesota Mining & Manufacturing Co.* v. *Technical Tape Corp.*, 123 F. Supp. 497 (N. D. Ill. 1954); *Technical Tape Corp.* v. *Minnesota Mining & Manufacturing Co.*, 200 F. 2d 876 (2d Cir. 1952)] has been rewarded with an opportunity to litigate its claims before a tribunal unfettered by its own prior determinations.

The patent was issued on October 31, 1939 to 3M as assignee of Richard Gurley Drew, one of its employees, and will be referred to as the "Drew Patent". The application was filed February 18, 1938 as a division of a co-pending application filed June 10, 1933 and was in part a continuation of a co-pending application filed May 1, 1931. The invention relates to "adhesive sheets having a backing with a non-fibrous surface (such as normal or waterproofed

films of regenerated cellulose) and a coating of normally tacky and pressure-sensitive adhesive united thereto. While not limited thereto, the invention relates especially to transparent adhesive sheets, to adhesive sheets in the form of adhesive tapes which may be sold in stacked or coiled form, and to adhesive sheets or tapes which are well adapted to the sealing or securing of wrappers composed of non-fibrous lustrous cellulosic films and the like". The specification recites that "[A]n object of the invention is to provide a unified adhesive coating possessed of such coherence in relation to adhesiveness and so firmly united to its backing that the adhesive sheet may be stripped from smooth non-fibrous surfaces (not possessing special chemical affinity for the adhesive), to which it may have been temporarily applied, without offsetting of adhesive material. Hence the adhesive coating may be termed 'non-offsetting', and this expression designates an important physical or physico-chemical property or characteristic of the adhesive coating, namely, that its coherency is greater than its adhesiveness."[1] 3M markets the invented article under the well-known mark "Scotch Brand Cellophane Tape".

Succinctly, the issues in this case are: (1) Is the Drew Patent valid; (2) If valid, has it been infringed by Tech Tape; and (3) Assuming validity and infringement, has the conduct of 3M been such as to disentitle it to relief against Tech Tape.

Plaintiff founds its claim of invalidity principally on the grounds that: (i) the alleged invention is not a patentable advance over the art because it required no special skill nor any "inventiveness".

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[1] A detailed description of the discovery disclosed in the patent and the inventor's claims are set out at length in the opinions first cited in the text; a repetition thereof would unduly and unnecessarily prolong this opinion.

(ii) the product claimed in the patent was patented and described by others in printed publications in this and foreign countries before the claimed invention thereof by Drew.

(iii) the alleged invention of the patent was (a) patented or described in a printed publication in a foreign country and (b) in public use more than two years prior to its filing date;

(iv) what the patent discloses as invention was developed by others;

(v) claim 9 of the patent defines an inoperative and useless product and was deliberately included, wherefore acceptance of the patent with such claim was not without deceptive intention;

(vi) what the patent discloses as invention is the same as is covered by the Drew Masking Tape Patent 1,760,820; and

(vii) the specification of the patent lacks the full, clear and concise description required by 35 U. S. C. A. § 112. These contentions will be treated seriatim.

The first ground of alleged invalidity is the not uncommon one urged against an article which is a plurality of well-known elements. It is a mere "aggregation", plaintiff argues, of cellophane and an adhesive—neither of which Drew claims to have invented—in which the two elements retain their original characteristics and perform exactly the same functions they possessed and performed before being brought together in the assembly. 3M, on the other hand, contends that the amalgamation produces a new article, not then previously in existence, possessing qualities and utility different than the components standing alone. Novelty for the adhesive or of any ingredient thereof per se or of the film backing per se is not claimed, but

rather in the combination whereby a new article is produced. To discuss this issue in terms of "aggregation" or "combination" can lead to nothing but confusion. See, *A & P Tea Co.* v. *Super Market Corp.*, 340 U. S. 147, 151 (1950). The efforts of the industry to find an article of the utility possessed by the one described in the Drew Patent, the general need and extensive market for such article and the availability of materials to produce it furnish a more helpful guide.

As Judge Learned Hand observed in *Safety Car Heating & Lighting Co.* v. *General Electric Co.*, 155 F. 2d 937, 939 (2d Cir. 1946): "In appraising an inventor's contribution to the art, * * * the most reliable test is to look at the situation before and after it appears. * * * Courts, made up of laymen as they must be, are likely either to underrate, or to overrate, the difficulties in making new and profitable discoveries in fields with which they cannot be familiar; and, so far as it is available, they had best appraise the originality involved by the circumstances which preceded, attended and succeeded the appearance of the invention. * * * [T]his approach is more reliable than a priori conclusions drawn from vaporous, and almost inevitably self-dependent, general propositions."[2]

DuPont commenced marketing normal cellophane in 1924 and moisture proof cellophane in 1927. The latter type was especially adapted to the packaging of food products where protection against moisture loss or absorption was desired. That purpose, to be accomplished effectively,

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[2] See also *Landis Mach. Co.* v. *Parker-Kalon Corp.*, 190 F. 2d 543, 546 (2d Cir. 1951) per L. Hand, J.: "* * * [We] have over and over again resorted to the history of what went before, the duration of the period during which the invention was needed but failed to appear and its acceptance when it did. These circumstances have seemed to us, not indeed an absolute determinant of invention, for there is none; but at least the best, and indeed almost always the only, rational approach to a solution."

required a satisfactory seal for the cellophane wrapping. None was available. Instead, a confectioner's fold with a paper or rubber band was employed. Its search for such a seal led DuPont in 1926 to send samples of moisture proof cellophane to various adhesive manufacturers. It tried itself to develop such a seal but met with two obstacles which it could not surmount—bad odor of the adhesive and excessive dwell time for the adhesive to take hold. DuPont's adhesives chemist worked on the problem but the possibility that the solution lie in development of a pressure-sensitive cellophane backed adhesive tape didn't occur to him. Self deprecatingly he testified, "Somebody asked me why didn't it and I said I was too dumb".

Then came Drew who, although he refers to himself as a "tinkering fool" and "more of a cook than a chemist", has already invented paper backed masking tape. In June or July 1929 a paper jobber faced with the problem of producing a wrapper sufficiently waterproof to withstand submersion in water for a given time sought Drew's aid. About the same time Drew's superior, in quest for a wrapping which would keep moisture from rolls of masking tape obtained a quantity of waterproof cellophane from DuPont. This was Drew's first introduction to cellophane and he promptly related moisture proof cellophane to the problem which the paper jobber had presented to him. He "smeared" some adhesive on a strip of the cellophane and through trial and error ultimately evolved a theretofore unknown article—cellophane backed pressure-sensitive adhesive tape, aggressively and permanently tacky when fully dried, with an adhesive layer more highly cohesive than adhesive which could be wound and unwound and removed from surfaces without delamination or offsetting of adhesive. It filled the need for the satisfactory seal DuPont was looking for and introduced a new kind of tape of such inherent merit and versatility as to become common place in the home and office.

DuPont had every incentive to come upon the article disclosed in the Drew patent. Notwithstanding that it had available to it the materials, the scientific personnel and the consultation of Brandenberger, one of the earliest producers of cellophane and the patentee of the patent strenuously urged here as anticipation of the Drew invention, it failed to make Drew's discovery.

It cannot successfully be controverted that prior to the advent of the article disclosed in the patent, cellophane had not been used as a backing in combination with an aggressively tacky and strongly cohesive rubber-resin type adhesive. The prior self adhering normally tacky adhesive tapes had a cloth or paper backing. The tacky adhesive penetrated the surface of the backing and obtained a mechanical anchorage due to the porosity and fibrous nature of the backing. The non-adhesive surface was not flat and consequently when the tape was wound in a roll there were only points of, rather than total, contact with the pressure-sensitive adhesive. Because there was a mechanical differential and an area differential between the two sides of the tape the roll could be unwound without delamination of the adhesive. Persons skilled in the adhesive tape art were committed to the thinking that mechanical anchorage was a *sine qua non* of an acceptable non-delaminating and non-offsetting adhesive sheet or tape. Drew also was of that mind on May 28, 1928 as evidenced by the caveat contained in the application he filed on that date for his masking tape patent, *viz.*, "An over-sufficient saturation of the paper will render the surface unfit for subsequent coating • • •" (U. S. Patent 1,760,820, p. 5, lines 124-126.

It may be that Drew employed a backing with a non-fibrous surface contrary to the precepts of the art precisely because he was "more of a cook than a chemist". That a person having ordinary skill in the art would "know

better" than to attempt it does not negative patentability.[3] In retrospect, it would seem that what Drew did was simple and no more than the obvious. "Its simplicity should not blind us as to its character. Many things, and the patent law abounds in illustrations, seem obvious after they have been done * * *. Knowledge after the event is always easy, and problems once solved present no difficulties, indeed, may be represented as never having had any, and expert witnesses may be brought forward to show that the new thing which seemed to have eluded the search was always ready at hand and easy to be seen by a merely skillful attention." *Diamond Rubber Co.* v. *Consol. Tire Co.*, 220 U. S. 428, 434-5 (1911). See also *Goodyear Tire & Rubber Co.* v. *Ray-O-Vac Company*, 321 U. S. 275, 279 (1944).

The claims in the Drew patent meet the "rather severe test" and conform to the standard of invention for combination patents enunciated in *A & P Tea Co.* v. *Super Market Corp.*, supra. Whether 35 U. S. C. A. § 103 lowered the standard of invention is an inquiry, therefore, which need not be pursued in this case. *Vermont Structural Slate Company, Inc.* v. *Tatko Brothers Slate Company, Inc.*, 233 F. 2d 9 (2d Cir. 1956). Compare *Welsh Manufacturing Company* v. *Sunware Products Co.*, —— F. 2d —— (2d Cir. July 9, 1956), *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535, 536 (2d Cir. 1955) cert. denied, 350 U. S. 911 (1955), and *L-O-F Glass Fibers Company* v. *Watson*, 228 F. 2d 40 (D. C. Cir. 1955), with *Wasserman* v. *Burgess & Blacher Co.*, 217 F. 2d 402 (1st Cir. 1954), *Interstate Rubber Products Corp.* v. *Radiator Specialty Co.*, 214 F. 2d 546 (4th Cir. 1954), *General Motors Corp.* v. *Estate Stove Co.*, 203 F. 2d 912 (6th Cir. 1953) and *Stanley Works* v. *Rockwell Mfg. Co.*, 203 F. 2d 846 (3d Cir. 1953).

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[3] "Patentability shall not be negatived by the manner in which the invention was made." 35 U. S. C. A. § 103.

District Court Opinion Below

"Scotch Brand Cellophane Tape" has achieved phenomenal commercial success. The first year it was on the market sales were upwards of $100,000. without any advertising expense. Within ten years annual sales had increased to over $5,500,000.—advertising expense throughout this period was slightly less than 3% of sales. The wide acceptance of the product attests to its need and reflects its worth. If it can be said that the question of patentable invention in this case is a close one the very substantial commercial success enjoyed by the patented article "tips the balance" on that issue. See *Jungersen* v. *Ostey & Barton Co.*, 335 U. S. 560, 567 (1949).

As already noted the Drew Patent has been thrice adjudged valid. Implicit in said determinations is the findings that Drew's invention displays sufficient "inventiveness" to constitute a patentable advance over the art. The facts established on the trial herein support that holding.

Technical Tape pleaded or noticed forty-six references to patents and publications in support of its contention that the product claimed in the Drew Patent had been patented and described by others before Drew claims to have invented it. By pre-trial stipulation plaintiff reduced said references to the following nineteen:

FOREIGN PATENTS

1. Brandenberger 433,999 (French) delivered November 13, 1911, published January 20, 1912.

2. Kronstein 112,237 (Austrian) granted August 15, 1928, published February 11, 1929.

3. Kronstein 656,582 (French) granted January 2, 1929, published May 10, 1929.

4. Kronstein 293,293 (British) accepted March 14, 1929.

5. Grossman 372,925 (German) granted February 10, 1920, published April 3, 1923.
6. Liesegang 440,712 (German) February 10, 1927.
7. Liesegang 253,940 (British) June 19, 1926.
8. Rado 682,785 (French) granted June 2, 1930, application filed October 4, 1929.

UNITED STATES PATENTS

9. Kronstein 1,944,562 granted January 23, 1934, application filed March 13, 1928.
10. Hodgson 1,467,108 granted September 4, 1923.
11. Mantell 1,850,760 granted March 22, 1932, application filed March 21, 1929.
12. Zimmerli 1,892,123 granted December 27, 1932, application filed April 12, 1928.
13. Teague 1,746,875 granted Feb. 11, 1930, application filed June 9, 1924.
14. Healy 1,752,557 granted April 1, 1930, application filed Feb. 13, 1925.
15. Charch 1,737,187 granted Nov. 26, 1929, application filed Jan. 3, 1927.
16. Carrington Re. 3,260 granted January 12, 1869.
17. Drew 1,760,820 granted May 27, 1930.
18. Drew Re. 19,128 granted April 3, 1934.

PUBLICATION

19. Article entitled "Pearson's Crude Rubber Compounding Ingredients", published 1918 by India Rubber Publishing Co., Inc., Page 372.

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The publication and each of the patents referred to as prior art, or the corresponding one of another country,[4] was before either Judge Barnes in *Minnesota Mining & Manufacturing Co.* v. *International Plastic Corp.*, supra, or in *Minnesota Mining & Manufacturing Co.* v. *Pax Plastics Corp.*, supra, or Judge Campbell in *Minnesota Mining & Manufacturing Co.* v. *Neisner Bros. Inc.*, supra, and was found not to anticipate the disclosures of the claims in suit. In the *International* and *Pax* suits U. S. Patent 1,850,760 to Mantell and 1,760,820 to Drew were stressed. On appeal it was held that the Mantell Patent did not relate to the adhesive tape art and that the finding of the District Court that the claims of the Drew Patent in suit were not anticipated by, and defined invention over, the Drew masking tape patent was fully supported by the evidence. In the *Neisner* case the Court noted that although the Brandenberger French Patent 433,999 had not itself been before the courts of the Seventh Circuit when the validity of the Drew Patent was sustained, similar patents, to wit, those issued to Kronstein, were considered and distinguished from the Drew Patent.[5]

In the instant case the emphasis seems to be on the Brandenberger French Patent, the Rado French Patent and the Kronstein Patents. In considering the disclosures made by these patents they are, of course, to be read unaided by the teachings of the patent which it is urged they anticipate. So viewed, Brandenberger's invention clearly relates exclusively to an insulating substance. His concern

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[4] It is not disputed that (i) the three Kronstein foreign patents contain no disclosure not present in the Kronstein U. S. patent; (ii) the Liesegang German Patent corresponds to the Liesegang British Patent specifications; (iii) Drew 1,760,820 corresponds to Drew Re. 19,128; and (iv) Rado French Patent 682,785 is essentially the same as Rado British Patent 344,469.

[5] See note 8, *infra*.

was with increasing the electrical resistance of cellulosic films or sheets. To achieve this objective he disclosed: first, the need for closing the microscopic pores which might be present in the film; second, that one of the ways of effecting such closure would be by coating the sheets with one or several layers of linseed oil, with a rubber solution, with any insulating varnish or with a mixture of these substances; third, that a closure of the pores could be obtained by bonding together two or more sheets of cellulose since the location of the pores could not coincide in the various sheets and thus an absolutely homogeneous surface would be obtained; fourth, that the sheets could be bonded by means of any adhesive substance, but, in order to increase their electrical resistance, the sheets could be coated first with linseed oil, a solution of rubber or any insulating varnish which themselves could serve as adhesives; and finally, that cellulose sheets which had been treated in such a process so as to present a surface coated with fatty ethers of cellulose, either nitrated or acetylated superficially, could be used instead of ordinary cellulose sheets. Such superficial etherification would result in a type of varnish which envelopes the cellulose sheet closely with an insulating layer free from any porosity and the sheet thus obtained could be used as such, as an insulating material, or they could be bonded to each other and coated like sheets of pure cellulose.

The primary function of the coating in the Brandenberger Patent is to close the pores in the cellulosic sheet and to increase its electrical resistance. The reference to the coating as an adhesive to bond the sheets is quite incidental—witness the omission of any suggested formulation for the adhesive substance or any reference to the purpose thereof other than to bond the sheets with the limited objective already indicated. "Any adhesive substance", Brandenberger pointed out, could be used. Ac-

cordingly he did not specify the recipe of the adhesive substance nor even mention whether it was to be normally tacky and pressure-sensitive or otherwise. Moreover the desirability of a substance which was more cohesive than adhesive was not presented since it was not contemplated that the sheets once bonded would be separated. Nor can it be said that Brandenberger unwittingly disclosed an adhesive which was normally tacky and pressure-sensitive and more cohesive than adhesive although he did not require or seek it. To constitute an anticipation the disclosure of prior art must be clear and certain. *Trussel Manufacturing Co.* v. *Wilson-Jones Co.*, 50 F. 2d 1027 (2d Cir. 1931). The prior patent, especially if it is of foreign issue, must teach the invention with sufficient clarity and explicitness to enable a person skilled in the art to understand its nature and carry it into practical use without the necessity of experimentation. *Allied Wheel Products* v. *Rude*, 206 F. 2d 752 (6th Cir. 1953); *Hollywood-Maxwell Co.* v. *Street's of Tulsa*, 183 F. 2d 261 (10th Cir. 1950); *Wisconsin Alumni Research Foundation* v. *Breon*, 85 F. 2d 166 (8th Cir. 1936) cert. denied, 299 U. S. 598 (1936); *Donner* v. *Sheer Pharmacal Corporation*, 64 F. 2d 217 (8th Cir. 1933) cert. denied, 290 U. S. 658 (1953). Even after the need for a cellophane tape with a coating of a normally tacky and pressure-sensitive adhesive became apparent, Brandenberger, despite his extensive research and pioneering efforts in the development and manufacture of cellophane [6] and his then role as consultant to the Cellophane Division of DuPont, failed to discern in his own patent what plaintiff's expert now claims was apparent to anyone ordinarily skilled in the art. It would serve no useful purpose to probe into the relative skill in the art of

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[6] By way of reference to the role of Brandenberger in the development of cellophane, see discussion in *United States* v. *E. I. DuPont De Nemours*, 351 U. S. (June 11, 1956).

Brandenberger and plaintiff's expert. The Court is persuaded that the vision of the latter was substantially brightened by his diligent study of the teachings of the Drew Patent, and that absent the wisdom thus acquired what is now asserted to be clear would have been as obscure to him as it was to Brandenberger and DuPont's adhesives chemist. Unless the disclosures of the Drew Patent are read into the Brandenberger Patent the only substantial similarity between them is that they each use cellulosic film. Plaintiff's brief argues what indeed is the established law, that the discovery of a new use for an old article does not justify the granting of a patent. Here, however, we find not a new use but a new article possessing characteristics and functional utility totally lacking in the old.

Plaintiff would have the Court read the Brandenberger Patent in the light of alleged admissions made by 3M in proceedings before the German Patent Office opposing the grant of a patent to one Rado. The disclosures in the Brandenberger Patent are to be gleaned from the patent itself—they cannot be extended or limited by argument or statements made by or on behalf of third persons in proceedings which do not involve the patent and to which the patentee is not a party. As an aid in interpreting the clear and unambiguous language of the Brandenberger Patent they have no probative force. Neither can they be availed of to supply disclosures which are lacking therein. Furthermore, what are relied on as admissions against interest are at best arguments of counsel [7] which examined in their entirety cannot be construed as at variance with the position of 3M in the case.

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[7] Counsel's expression of opinion do not constitute admissions against interest. *Martin* v. *Burgess*, 82 F. 2d 321 (5th Cir. 1936).

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Judge Barnes' findings in the *Pax* case, *supra*[8] with respect to the Kronstein Patent are fully supported by the evidence in this case. Plaintiff suggests that "Judge Barnes did not have the benefit of the evidence here, such as the proof that the *inherent* property of a rubber solution is to form a normally tacky and pressure-sensitive adhesive when dried and Tierney's (defendant's expert) admission that the Kronstein coatings would produce a tacky or adhesive coating." A careful study of the record leads the Court to the conclusion that the alleged deficiency in the proof before Judge Barnes has not been supplied here.

Plaintiff's reliance on Rado French Patent 682,785, issued on February 18, 1930 and published on June 2, 1930, as prior art is necessarily grounded on the premise that the Drew Patent is not entitled to an effective filing date of May 1, 1931. Plaintiff recognizes that a true divisional application is entitled to the filing date of its parent but urges that Drew's subsequent application cannot be accorded the benefit of the earlier filing date because the disclosures in the earlier application were inoperative. The evidence is clearly to the contrary. Examples C and D in

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[8] In the *Pax* case, *supra*, at page 308, the Court found: "The Kronstein U. S. patent 1,944,562 and the equivalent British patent 293,293, do not anticipate the products of the claims in suit. They relate to an electrical insulating band or ribbon which is asserted to improve upon the prior art by using a backing of non-fibrous cellulose film (cellophane) in place of cloth or paper, and which (as in the prior art) is coated with insulating material such as rubber, linoxyn, nitro-cellulose varnish, etc. The cellophane may be coated on one or both sides, and one coating may serve as a so-called adhesive. There is nothing to suggest that the phrase 'any desired degree of adhesiveness' (page 2, col. 2, lines 34-39) implies a normally tacky and pressure-sensitive adhesive condition. The term 'adhesive' is very broad and applies to normally non-tacky adhesives (such as those of postage stamps). The coatings of these patents may retain some wet adhesiveness temporarily, but in a short time dry out to a non-tacky condition. When Kronstein uses rubber solution, he obtains a fr[illegible] set cement type of coating like Mantell."

the 1931 application were operative. An article made in conformity with example C was commercially produced by 3M between November 1930 and August 1931 and plaintiff's expert successfully made tapes following said examples.

Section 102 of Title 35 provides that "A person shall be entitled to a patent unless—(b) the invention was patented or described in a printed publication in this or a foreign country • • • more than one year prior to the date of the application for patent in the United States • • •." With respect to applications filed before August 5, 1940 and patents granted thereon, however, the applicable period is two years. Pub. Law 593, 82d Cong., 2d Sess., § 293 Sec. 4(d), 66 Stat. 815 (July 19, 1952). Under the circumstances the Rado Patent does not constitute a statutory bar.

The Court has examined the publication and the remaining patents referred to as prior art and compared each with the patent in suit. It is apparent that the Drew Patent is sufficiently distinguished from them.

The determination that the Drew Patent is entitled to a 1931 filing date is dispositive of the principal ground urged by Tech Tape in support of its contention that the invention was in public use more than two years prior to the date of the application for patent. The public use upon which reliance is placed is a sale on December 5, 1930 by 3M to *Shellmar Products Co.* Plaintiff asserts that the subject of the sale was made in conformity with Example E which was first disclosed more than two years thereafter in the 1933 application. The evidence does not sustain this allegation. It establishes that the adhesive on the article sold to *Shellmar* was not materially different from Example C in the 1931 application.

It is asserted that Drew is not the true inventor of the patent in suit. Admittedly, Drew did have other hands help him in the manual work incident to following through his

ideas and conceptions, but aid thus rendered does not elevate the helpers to the rank of inventors or co-inventors nor alter Drew's status as the sole inventor. The others worked with Drew and under his direction but made no contribution beyond physical assistance. The inventive genius resided in Drew alone.

Tech Tape's position that Claim 9 of the patent is void for want of utility or operability is not well founded. Lack of commercial success *per se* does not establish lack of utility. *O'Donnell* v. *United Shoe Machinery Corporation*, 2 F. Supp. 178 (D. Mass. 1933). Defendant established that it manufactured the article described in Claim 9 and that sometimes it performed satisfactorily and at other times it did not. Absent proof of total incapacity the defense of non-operativeness or non-utility is not available. *National Slug Rejectors* v. *A. B. T. Mfg. Corporation*, 164 F. 2d 333 (7th Cir. 1947) cert. denied, 333 U. S. 832 (1948); *Emery Industries* v. *Schumann*, 111 F. 2d. 209 (7th Cir. 1940); *In re Oberweger*, 115 F. 2d 826 (C. C. P. A. 1940); Walker, *Patents*, § 67 (Deller ed. 1937).

The charge of double patenting has not been substantiated. The Drew Masking Tape patent refers to an adhesive sheet as a new article of manufacture comprising a unified paper backing with a pressure-sensitive adhesive coating united to one surface thereof. The patent in suit discloses as a new article of manufacture a non-fibrous sheet. The difference is not merely semantic. As has already been indicated the art prior to the Drew patent led away from cellophane—a fiber tree film—as a backing for a pressure-sensitive normally tacky non-offsetting and non-delaminating adhesive tape. The article of the Drew Patent was unknown to the inventor when he filed his application for the Masking Tape patent and is not disclosed therein. The substantial dissimilarity of the claims in the two patents conclusively refutes the suggestion of double patenting. *Western Electric Co.* v. *General Talking Pic-*

tures Corp., 91 F. 2d 932 (2d Cir. 1937), aff'd 304 U. S. 175 (1938).

Plaintiff's final ground of asserted invalidity is that the patent fails to make the "full, clear, concise and exact" description of the alleged invention required by 35 U. S. C. A. § 112. Testimony of Tech Tape's expert that he successfully made tape with the formulae set out in Examples C, D and E demonstrates that the specification of the invention and the manner and process of making any use of it is sufficient to enable a person skilled in the art to which the invention pertains to make and use the same. No more is required. A similar claim of non-compliance with the statutory standard for clarity and exactitude was treated at some length and rejected in the *International* case, 159 F. 2d 554, 558. The later decision of the Supreme Court in *Faulkner* v. *Gibbs*, 338 U. S. 267 (1949)[9] and 35 U. S. C. A. § 112,[10] effective January 1, 1953, underscore the soundness of that determination.

The contention of 3M that the accused product infringes is resisted by a demonstration of the absence of

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[9] As was argued in the *International* case, Tech Tape urges that the claims of the Drew Patent do not meet the requirements of *Halliburton Oil Well Cementing Co.* v. *Walker*, 329 U. S. 1 (1946). In discussing *Halliburton* the Supreme Court stated in *Faulkner* v. *Gibbs*: "We there held the patent invalid because its language was too broad at the precise point of novelty. In the instant case, the patent has been sustained because of the fact of combination rather than the novelty of any particular element." The same may be said of the patent in suit.

[10] Section 112 provides: "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claims shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof." The language of the Act suggests a greater liberality in the use of functional expressions in combination claims. See Commentary on The New Patent Act, 35 U. S. C. A., p. 25.

outright duplication. That Tuck Tape is substantially identical with the tapes which were held as infringements of the Drew Patent in the *Pax* and *Neisner* cases, *supra*, is admitted in the pleadings. Indeed, in its brief plaintiff admits that if its product had been before the Court in either of said cases it would have been adjudicated an infringement. The accused product serves the identical purpose and in exactly the same manner as does Scotch Brand Cellophane Tape. The two products look alike and for all practical purposes cannot be distinguished except by a trained chemist. Tech Tape simulates as best it can the dispensing and marketing techniques employed by 3M. The difference between the two products resides solely in the composition of the adhesive. Tech Tape claims to have employed two kinds of adhesive; one of rubber-resin and the other made from polyvinyl ether polymers which is all synthetic resin and has no rubber. As to the former the distinction claimed is in the type of rubber and resin used; with respect to the latter that it is all synthetic resin and no rubber. The substituted components of the adhesive serve the same functions and have the physical properties characteristic of the pressure-sensitive adhesives of the "rubber-resin" type suggested in the patent. Some of the claims of the patent call for "rubbery base" adhesive, others for a "rubber-resin" type adhesive, and others merely for a non-offsetting normally tacky and pressure-sensitive water-insoluble transparent flexible adhesive coating. As Judge Campbell stated in the *Neisner* case, *supra*, at 928:

> "The normal construction of the expression 'rubbery base' is that the product is similar to rubber at least in some of its physical properties as, for example, in its elasticity, stretchiness and the like. The adhesive coating of the accused tape clearly fulfills such a description. Similarly, the term 'rubbery-resin type' adhesive properly indicates an adhesive having the

physical properties of rubber-resin adhesives, which properties defendant's coating patently possesses. Furthermore, the use of 100% resin, natural or synthetic, rather than the suggested proportions of rubber and resin as described in the Drew patent, might be more accurately denoted as merely a change in degree rather than in kind."

Infringement cannot be avoided by the mere introduction of minor variations nor by the use of equivalents which function similarly as the original. *Graver Tank & Mfg. Co. Inc.* v. *Linde Air Products Co.*, 339 U. S. 605 (1950), rehearing den., 340 U. S. 845 (1950); *Finkelstein* v. *Kress*, 113 F. 2d 431 (2d Cir. 1940).

By way of reply to 3M's counterclaim for an injunction against further infringement and damages Tech Tape asserts that 3M has unlawfully attempted to extend its patent monopoly of cellophane tape to cover products not covered by any valid claim thereof. It seeks to invoke the doctrine enunciated in *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488 (1942) that a Court of equity will not lend its aid to protect a patent monopoly when the patentee is using it as an effective means of restraining competition with its sale of an unpatented article. To prevail in this position, therefore, Tech Tape must establish that 3M used the Drew Patent in an attempt to monopolize the sale of unpatented tapes or to gain some market or other advantage over other competitors in the field of the unpatented article. *Automatic Radio Manufacturing Co. Inc.* v. *Hazeltine Research, Inc.*, 339 U. S. 827 (1950), hearing den., 340 U. S. 846 (1950). Short of a refusal to sell its Scotch Brand Cellophane Tape unless the purchaser also bought its unpatented tapes, or a refusal to sell unpatented tapes unless the purchaser deals in Scotch Brand Cellophane Tape to the exclusion of cellophane or other tapes of other manufacturers, the *Morton Salt* case doctrine is inapposite.

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There has been a complete failure of proof that the sales policy of 3M falls within the interdicted conduct. 3M distributes its products through upwards of 30,000 outlets. Included among them are more than 6000 paper wholesalers and 4000 commercial stationers. Many thousands of 3M's distributors and jobbers handle competitive tapes and 3M has never required either that they handle its tapes exclusively or as a condition of buying one type of tape that they also buy any other. A large percentage of distributors identified by the President of Tech Tape as 3M distributors in the New York area are, according to his testimony, also distributors of Tech Tape's products. He further testified that many Tech Tape jobbers or distributors also handle 3M products. Of the large number of 3M distributors over the approximately three year period preceding the trial Tech Tape points to seven, who in the aggregate account for a relatively minutial portion of the total 3M tape business, to establish its contention. The situation with respect to each of these seven distributors has been considered and the Court is satisfied that the conduct of 3M in each instance was motivated solely by honest business considerations in no wise related to an attempt to extend the monopoly of the Drew Patent.

The Drew Patent is valid and infringed. A decree for an injunction and an accounting may be submitted in accordance with this Opinion. Decision on whether the damages found should be increased pursuant to 35 U. S .C. A. § 284 is deferred until the coming in of the Master's report. See *Patterson-Ballagh Corp.* v. *Moss,* 201 F. 2d 403, 408 (9th Cir. 1953) and cases cited.

The foregoing shall constitute Findings of Fact and Conclusions of Law in accordance with Fed. R. Civ. P. 52(a).

Dated: July 18, 1956.

s/ ALEXANDER BICKS,
United States District Judge.

Judgment Below

[Record pages 5924-5927]

This cause came on to be heard by the Court, sitting without the intervention of a jury, in a trial of five weeks' duration, was argued and briefed by counsel; thereupon, upon consideration of the entire evidence, stipulations, exhibits, and the entire record in the case, as well as the briefs and arguments of counsel for the respective parties, and the Court having heretofore made and filed its Opinion to stand as Findings of Fact and Conclusions of Law under Rule 52(a) as the same appears of record herein, and which Opinion is made a part hereof by reference thereto;

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED, AS follows:

1. This Court has jurisdiction of the parties and of the subject matter stated in the Complaint, Amended Complaint and Supplemental Complaint and in the Counterclaim of the defendant.

2. United States Letters Patent No. 2,177,627 issued to the defendant, Minnesota Mining and Manufacturing Company, on October 31, 1939, upon the application of Richard Gurley Drew, was in all respects duly and lawfully issued and is good and valid in law as to every claim thereof except claim 9 as to which no adjudication of validity is made, no infringement of said claim having been found; and is enforceable in all respects by the defendant as sole and exclusive owner of the entire right, title and interest therein.

3. The plaintiff, Technical Tape Corporation, since prior to the time the defendant's Counterclaim was filed herein, has manufactured, used and sold transparent and colored non-fibrous, film-backed, pressure-sensitive adhe-

sive tape (as detailed in paragraphs 5 and 9 of the Agreed Statement dated November 16, 1954 and filed herein, and as exemplified by Defendant's Exhibits G, H, I, J, K, L, M, N, O, P, Q, DDDD, EEEE, D6 and E6 herein) in infringement of claims 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15 and 16 of said patent.

4. The defendant and counterclaimant has not been guilty of inequitable conduct; has not come into Court with unclean hands; and is not barred in any respect from enforcing the said patent.

5. A Writ of Injunction is ordered issued out of and under the seal of this Court directed to the plaintiff Technical Tape Corporation, permanently enjoining and restraining, until the expiration of the patent-in-suit, it, its officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them, who receive actual notice of this decree and order by personal service or otherwise from directly or indirectly making, using, selling, offering for sale, or directly or indirectly causing to be made, used, sold or offered for sale any transparent or colored non-fibrous, film-backed, pressure-sensitive tape or sheeting the same as the pressure-sensitive adhesive tape or sheeting exemplified by Defendant's Exhibits G, H, I, J, K, L, M, N, O, P, Q, DDDD, EEEE, D6 and E6, or any other transparent or colored non-fibrous, film-backed, pressure-sensitive adhesive tape or sheeting utilizing or embodying the invention of claims 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15 and 16 of said Letters Patent No. 2,177,627, or from in any way or manner infringing upon any of said claims of said Letters Patent, or from contributing to the infringement of or encouraging, inducing or aiding or abetting the infringement of such Letters Patent in any way or manner whatsoever. The Clerk of

this Court is directed forthwith to issue out of and under the seal of this Court its Writ of Injunction directed and commanded as herein provided.

6. The defendant and counterclamant, Minnesota Mining and Manufacturing Company, shall have and recover from the plaintiff, Technical Tape Corporation, the damages which it has sustained by reason of the aforesaid infringement; and the question of whether damages shall be increased pursuant to 35 U. S. C., Section 284, because of the nature of such infringement, is deferred until the coming in of the Master's report.

7. This cause shall be referred to Dwyer S. Shugrue, Esq., 12 East 41st St., N. Y. C. as Special Master, to ascertain the damages adequate to compensate the defendant for the plaintiff's infringement.

8. The defendant shall recover of the plaintiff the taxable costs of the defendant incurred in this suit, and such costs and expenses as may be incurred by the Special Master in connection with his services herein; and the defendant shall have judgment and execution therefor.

9. Defendant's application for attorney's fees is denied.

10. The plaintiff's Complaint, Amended Complaint and Supplemental Complaint are hereby dismissed at plaintiff's costs.

Enter:

/s/ ALEXANDER BICKS,
United States District Judge.

July 26, 1956.

UNITED STATES COURT OF APPEALS

For the Second Circuit

Technical Tape Corporation,
Plaintiff-Appellant,

vs.

Minnesota Mining and Manufacturing Company,
Defendant-Appellee.

Before Medina and Waterman, *Circuit Judges,* and Leibell, *District Judge.*

On Petition for Rehearing.

Daniel L. Morris, New York City, Curtis, Morris & Safford, New York City, (Simon H. Rifkind, Edward N. Costikyan, Emanuel E. Sternfield, Robert D. Spille and John A. Mitchell, New York City, of Counsel), for plaintiff-appellant.

Per Curiam.

Petition for rehearing denied.

Harold R. Medina
U. S. Circuit Judge

Sterry R. Waterman
U. S. Circuit Judge

Vincent L. Leibell
U. S. District Judge

Filed: September 23 1957

U. S. Code, Title 35

102. *Conditions for patentability; novelty and loss of right to patent.*

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other. July 19, 1952, c. 950, Sec. 1, 66 Stat. 797.

103. *Conditions for patentability; non-obvious subject matter.*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, Sec. 1, 66 Stat. 798.